

# CRIME IN AMERICA—THE HEROIN PARAPHERNALIA TRADE

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## HEARINGS BEFORE THE SELECT COMMITTEE ON CRIME HOUSE OF REPRESENTATIVES NINETY-FIRST CONGRESS

SECOND SESSION

PURSUANT TO

### H. Res. 17

A RESOLUTION CREATING A SELECT COMMITTEE TO CON-  
SIDER AND INVESTIGATIONS OF CRIME IN THE  
UNITED STATES

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OCTOBER 5 AND 6, 1970, WASHINGTON, D.C.

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Printed for the use of the Select Committee on Crime



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# CONTENTS

|   |        |
|---|--------|
| Hearings held on—   | Page   |
| October 5-----  | 1      |
| October 6-----  | 189    |
| Statement of—   |        |
| Bishop, Walter R., director, morals division, Metropolitan Police Department; accompanied by Edmond K. MacKinnon, detective, narcotics section; and Gabriel Brandani, detective, morals division--                  | 137    |
| Bowie, William, III; accompanied by Lawrence D. Wilder, counsel--   | 163    |
| Branch, June, former construction worker-----   | 166    |
| Cohen, Leonard S., owner and operator, Senate Drugstore, Harrisburg, Pa-----  | 115    |
| Cooper, Dr. Chauncey I., dean, School of Pharmacy, Howard University-----   | 297    |
| De Boest, Henry F., vice president, corporate affairs, Eli Lilly & Co.; accompanied by John M. Holt, senior counsel-----  | 190    |
| DuPont, Dr. Robert L., Director, District of Columbia Narcotics Treatment Administration-----   | 305    |
| Jones (Mr.), an unidentified District of Columbia pharmacist-----   | 152    |
| Livingston, Thomas P., regional supervisor, division of drug control, Pennsylvania Department of Health-----  | 4, 131 |
| London, Seymour, owner, London Apothecary, Arlington, Va-----   | 145    |
| McHugh, John R., director, professional services, Peoples Drug Stores--   | 182    |
| Mazzone, Frank, detective sergeant, Maryland State Police-----  | 74     |
| Minor, Gilmer, president, Owens, Minor & Bodeker, Inc.; accompanied by Philip Minor, vice president-----  | 175    |
| Oxman, Meyer, president, Reyman Drug Co.; accompanied by E. Josef E. Rosenblatt, counsel-----   | 228    |
| Pepper, Hon. Claude, a Representative in Congress from the State of Florida, and chairman, Select Committee on Crime, opening statement-----  | 1      |
| Pollock, William, Brentwood Drugs, Washington, D.C-----   | 171    |
| Richardson, Hazen L., Jr., director, pharmaceutical products marketing, Parke-Davis & Co., accompanied by William McNeill, attorney and assistant secretary-----  | 219    |
| Russinsky, Frank, Richco Products, Richmond, Va-----  | 157    |
| Spearbeck, Edward D., vice president, professional services, Drug Fair-----   | 184    |
| Tarrer, R. H., Jr., member, District of Columbia Board of Pharmacy--  | 297    |
| Letters, statements, etc., submitted for the record by—   |        |
| De Boest, Henry F., vice president, corporate affairs, Eli Lilly & Co.:<br>Chart delineating Eli Lilly & Co.'s trend of U.S. empty capsule production from 1960 to 1970-----  | 195    |
| Chart delineating Eli Lilly & Co.'s U.S. production in 1969, and percent of total by capsule size-----  | 196    |
| Exhibit No. 4—Eli Lilly & Co. sales, table-----   | 213    |
| Exhibit No. 5—Eli Lilly & Co. sales of empty capsules to wholesalers (pink and clear), tables-----  | 215    |
| Letter dated September 29, 1970, from Elanco Products Co., a division of Eli Lilly & Co., to pharmaceutical manufacturers, re preventing the diversion of empty capsules to illicit use----                         | 218    |
| Letter dated September 15, 1970, to Lilly wholesale distributors, re efforts to limit the misuse of Lilly pharmaceuticals-----  | 218    |
| Letter dated October 14, 1970, from Eli Lilly & Co., to Arnold G. Shulman, assistant counsel, Select Committee on Crime, re sales of Nos. 4 and 5 pink and empty capsules by Eli Lilly & Co. to Reyman Drug Co----- | 219    |

## Letters, statements, etc.—Continued

|   |             |
|---|-------------|
| Duncan, R. B., Jr., administrative vice president, Henry B. Gilpin Co., letter dated October 6, 1970, to Arnold Shulman, assistant counsel, Select Committee on Crime-----  | Page<br>149 |
| Holt, John M., senior counsel, Eli Lilly & Co., letter dated November 2, 1970, to Arnold G. Shulman, associate counsel, Select Committee on Crime, re sales of No. 5 empty gelatin capsules-----  | 193         |
| Livingston, Thomas P., regional supervisor, division of drug control, Pennsylvania Department of Health:<br>Exhibit No. 1—Vouchers dated 1969 and 1970, from Brenner & Sons, Inc., wholesale druggists, to Leonard S. Cohen's Senate Drug Store, enumerating drug paraphernalia sales, etc----- | 11          |
| Exhibit No. 3—Letter dated September 11, 1970, to Arnold Shulman, assistant counsel, Select Committee on Crime, from Thomas P. Livingston, regional supervisor, division of drug control, Pennsylvania Department of Health, re Leonard S. Cohen's purchases-----                               | 134         |
| Mazzone, Frank, detective sergeant, Maryland State Police: Exhibit No. 2—Maryland Senate Bill No. 883, entitled "Crimes and Punishments," approved by the Governor, April 28, 1970-----   | 80          |
| Oxman, Meyer, president, Reyman Drug Co.:<br>Exhibit No. 6—Advertisement in newspaper, re activities and functions of Dr. Kenney-----   | 235         |
| Exhibit No. 7—Reyman Drug Co. vouchers of drug paraphernalia sales to Dr. Kenney-----   | 239         |
| Pepper, Hon. Claude, a Representative in Congress from the State of Florida, and chairman, Select Committee on Crime: Detective Capt. Bruno V. Favasuli's statement, as quoted from the Harrisburg Patriot of October 6, 1970, denying allegations made by Leonard S. Cohen-----                | 130         |
| Richardson, Hazen L., Jr., director, pharmaceutical products marketing, Parke-Davis & Co., attachment to statement-----   | 222         |

# CRIME IN AMERICA—THE HEROIN PARAPHERNALIA TRADE

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MONDAY, OCTOBER 5, 1970

HOUSE OF REPRESENTATIVES,  
SELECT COMMITTEE ON CRIME,  
*Washington, D.C.*

The committee met, pursuant to call, at 9:55 a.m., in room 2318, Rayburn House Office Building, Hon. Claude Pepper (chairman) presiding.

Present: Representatives Pepper, Waldie, Wiggins, and Steiger.

Also present: Paul Perito, chief counsel; Larry Reida, associate chief counsel; Arnold Shulman, assistant counsel; and Leroy Bedell, Jr., hearings officer.

Mr. PEPPER. The committee will come to order, please.

Some members of our committee have unfortunately been delayed on account of other commitments, but others will be here shortly. We will begin the hearings now, as my able associate and colleague, Mr. Steiger, shares the podium with me at this time.

I first want to express our thanks to the Committee on Science and Astronautics for allowing us to use their very spacious and commodious room; we thank them for their courtesy.

The Select Committee on Crime today begins 2 days of hearings to document the need for a new Federal statute to control the manufacture and sale of the materials used to dilute and package heroin.

The problem of heroin addiction, both here in the District of Columbia and elsewhere, has been studied time and again. We do not propose to call a stream of witnesses to tell us of the seriousness of the problem. We know the problem is serious. Our committee, other congressional committees, as well as numerous nongovernmental agencies, have studied the problem. We know there are an estimated 10,400 heroin addicts in the District of Columbia; may I add that we have been told that about half of the street crime that is perpetrated in the District of Columbia is attributable to the use of drugs by those who commit crimes, either because they are under the influence of prohibited drugs and are thus motivated to perform criminal acts, or because they must get the money to sustain the expensive addiction of the heroin habit.

We know that many of them resort to crime to finance their expensive habits. We know that heroin addiction is a plague on any community, and we know that it must be stopped.

Our investigations, conducted in conjunction with local, State, and Federal law enforcement officials, reveal that a limited number of persons in the Greater Washington area control the significant heroin trafficking in the District. Our investigations also reveal that there

are numerous small dealers and associates of those dealers who frequently travel from the Greater Washington area to New York to personally pick up kilo and half-kilo lots of heroin. Several small dealers also travel to New York from the Greater Washington area for the express purpose of picking up paraphernalia and narcotics cutting materials. Further, our undercover investigations in Washington substantiate our findings in New York, where we discovered that a limited number of persons not only controlled the New York heroin market, but also directed nationwide heroin distribution, including shipment into the District of Columbia. In New York, we heard considerable testimony which intimately linked 80 to 90 percent of all heroin importation and wholesale distribution to organized crime. The District's situation is similar to the patterns of criminal conduct which we reviewed in New York City. The problems of detection and ultimate prosecution are made difficult, if not impossible, because major traffickers surround themselves with numerous underlings who do not have full knowledge of the entire narcotics operation of the particular major trafficker for whom they work. Consequently, an arrest of an underling does not in any way directly affect or interfere with the modus operandi of a major trafficker.

We do not claim that the avenue of attack we propose will stop the traffic in heroin. Far from it. What we are saying is that here is something that can be done; here is a way to make life for heroin pushers more difficult; here is a way to end certain aspects of what might technically be called legal profiteering in this deadly trade. Incidentally, the State of Maryland has an exemplary statute on this, and the District of Columbia does not, nor does the Federal Government, nor do an appreciable number of the States, to our knowledge.

Heroin addicts do not inject pure heroin into their veins. What they inject is a mixture of heroin and diluents. Here in the District, the heroin an addict buys on the street contains 6 to 8 percent pure heroin; the rest is quinine, mannitol, dextrose, or lactose. In New York, where this committee held extensive hearings last June, the heroin on the streets contained 10 to 15 percent pure heroin. Every pusher has his own recipe for diluting the pure heroin, which is too costly—and too deadly—to be injected into the human body.

After the heroin is mixed with the diluents, it must be packaged. In this case, there is regional variation. In New York, for example, the package of choice is a 1½- by 1½-inch glassine envelope. In Washington area, the package of choice is a No. 5 gelatin capsule.

Until our committee held hearings in New York, small glassine envelopes were readily available—one wholesaler in Harlem sold more than 50 million in 1 year. Here in the District and surrounding areas, empty gelatin capsules are also readily available—manufactured by legitimate, ethical drug companies, sold by legitimate wholesalers, and retailed by pharmacists who break no law by knowingly selling them to addicts and pushers.

Last year more than 2 million empty capsules were sold in the District of Columbia.

Our investigation has shown that there is no legitimate need for these millions of empty gelatin capsules, the millions of glassine envelopes, and the thousands of ounces of quinine and other cutting agents reaching certain retail druggists. It is outrageous that men



who call themselves legitimate businessmen make huge profits from the manufacture and sale of these items.

An investigation by the Select Committee on Crime has shown conclusively that no Federal law, and few State laws, can be used to control these profiteers, who—immune from prosecution—supply the illegal drug pusher with the tools of his trade.

Many States have for years made it a crime to purchase, without a medical prescription, the hypodermic needle an addict needs to mainline his fix. We contend that the quinine and lactose used to cut the heroin, and the capsules and envelopes used to package it, are no less a part of the criminal baggage of the addict and the pusher.

The need for Federal legislation is clear when we consider the pattern of paraphernalia sales in this area. The State of Maryland recently enacted a statute that could well serve as a model in its field. But with the threat of criminal prosecution that now hangs over the heads of those in the paraphernalia trade in Maryland, the pattern of distribution has shifted. The Commonwealths of Pennsylvania and Virginia, and the District of Columbia, which have no comparable statutes, are now supplying Maryland drug pushers with the diluents and gelatin capsules they need to carry on their illegal trafficking. This situation cannot be allowed to continue.

There are many aspects to the problem of heroin addiction and trafficking. We have worked to reduce the quantity of heroin entering this country, and we are very much concerned that there has been no reduction, apparently, in the amount of heroin coming into this country from the laboratories of southern France. I have heard on responsible authority that only one laboratory which sells in France, taking the morphine that comes out of the poppy fields of Turkey into the laboratories of southern France, that in the last year only one such laboratory has been discovered and destroyed by the French police. I cannot pass judgment on why there were not more, but it seems to me a shocking fact that no greater reduction has been made in the sending of raw heroin into this country, and our authorities have told us at the New York hearing with all the splendid efforts of our Bureau of Narcotics and Dangerous Drugs and our Customs Service they were able to stop only 20 percent of the amount of heroin coming into this country from abroad.

We tried to diminish the quantity of heroin entering this country; we have worked to better educate Americans to the dangers of drug addiction; and we have worked to get more research in this field. In striking out at heroin paraphernalia, we can, at the least, dislocate and confuse the patterns of heroin distribution. We are confident that these hearings will provide abundant proof of the acute need for the legislation we are considering.

Would you like to add anything, Mr. Steiger? Mr. Waldie?

Mr. WALDIE. No, I have nothing.

Mr. PEPPER. Our first witness this morning is Mr. Thomas P. Livingston, regional supervisor of the division of drug control of the Pennsylvania Department of Health. We are pleased to have you with us today, Mr. Livingston.

Mr. Livingston has been a drug investigator for the Commonwealth of Pennsylvania since 1962. He attended the Philadelphia College of

Pharmacy and Science, and is a graduate of the Training School of the Federal Bureau of Narcotics and Dangerous Drugs.

In addition to his extensive experience in the investigations of illicit drug traffic, Mr. Livingston also spent 6 years in the retail pharmacy business.

Mr. Livingston's testimony today will serve as concrete evidence of the need for a uniform statute to control the sale and distribution of heroin paraphernalia.

Mr. Livingston has greatly aided our committee's efforts and has been involved in a detailed investigation of paraphernalia trafficking in the Pennsylvania-Maryland area. Several cases which Mr. Livingston has developed are currently being prosecuted under the recently enacted Maryland paraphernalia statute.

Mr. Livingston, I understand you do not have a prepared statement but that you are fully prepared to respond to questions concerning the status of paraphernalia trafficking in the Maryland-Pennsylvania area. I will now ask our chief counsel, Mr. Paul Perito, to begin the questioning. Won't you have a seat, please?

Mr. LIVINGSTON. Thank you.

Mr. PERITO. Mr. Livingston, you currently hold the position of regional supervisor of the division of drug control; is that correct?

**STATEMENT OF THOMAS P. LIVINGSTON, REGIONAL SUPERVISOR,  
DIVISION OF DRUG CONTROL, PENNSYLVANIA DEPARTMENT OF  
HEALTH**

Mr. LIVINGSTON. That is correct.

Mr. PERITO. And that is a part of the Department of Health of the Commonwealth of Pennsylvania.

Mr. LIVINGSTON. Yes, it is; it is the agency responsible for enforcing the State drug and narcotic laws.

Mr. PERITO. Now, is that the only agency in Pennsylvania specifically assigned the responsibility of enforcing the State narcotics laws?

Mr. LIVINGSTON. Yes; it is.

Mr. PERITO. Could you tell us, sir, how many men you have as part of that division?

Mr. LIVINGSTON. At the present time we have 29 agents in the field for the State of Pennsylvania.

Mr. PERITO. How large is the State of Pennsylvania?

Mr. LIVINGSTON. Approximately 11 million people.

Mr. PERITO. Would you tell us, sir, what your responsibilities are in the division of which you are a part?

Mr. LIVINGSTON. My responsibilities are for enforcing the entire Drug and Cosmetic Act which governs not only the legitimate distribution channels of drugs but also makes provisions for, and penalties for, violations of the illicit traffic in drugs, trafficking in narcotics, amphetamines, barbiturates, what have you.

Mr. PERITO. In effect, you serve as the narcotics enforcement unit of the State of Pennsylvania; is that a fair statement?

Mr. LIVINGSTON. That is correct, yes.

Mr. PERITO. Do you work out of Harrisburg?

Mr. LIVINGSTON. Yes; my office is in Harrisburg and we have an area of eight counties in south-central Pennsylvania bordering on Maryland.

Mr. PERITO. Based upon your experience working in the narcotics field, would you tell this committee what is the package of choice for packaging heroin in Pennsylvania generally and then tell us the package of choice in Harrisburg, Pittsburgh, and Philadelphia.

Mr. LIVINGSTON. Generally, in Harrisburg and Philadelphia it is the glassine envelope. However, in Pittsburgh when I worked there, small balloons were used very frequently, very tiny balloons of various colors, but in Harrisburg it is generally glassine envelopes.

Mr. PERITO. When a street drug dealer carries these balloons where does he usually carry them?

Mr. LIVINGSTON. Most of the dealers are able to carry 15 to 20 balloons in their mouth.

Mr. PERITO. Could you explain to the committee the reason why street pushers carry these balloons in their mouths.

Mr. LIVINGSTON. Yes. The reason for that was if they were stopped and searched it was relatively easy to swallow the balloons and unfortunately we were unable to recover the balloons once they were swallowed. I think there was a test case on that and it was deemed to be unreasonable search to detain a suspect and pump his stomach.

Mr. PERITO. At the present time, Mr. Livingston, do you have a paraphernalia statute covering narcotics paraphernalia similar to the statute recently enacted in Maryland?

Mr. LIVINGSTON. No sir; we do not.

Mr. PERITO. Do you have a statute in your State covering the sale, manufacturing and distribution and/or transfer of needles and syringes?

Mr. LIVINGSTON. No, we do not.

Mr. PERITO. Based upon your experience, sir, does a pharmacist in Pennsylvania have a legitimate need to stock empty Nos. 4 and 5 gelatin capsules, as part of his inventory?

Mr. LIVINGSTON. No, sir, he only would have very rare occasions to use capsules in compounding prescriptions, very rarely these days.

Mr. PERITO. And your background prior to going with the Bureau of Narcotics was in training as a pharmacist; is that correct?

Mr. LIVINGSTON. That is correct, yes, sir.

Mr. PERITO. Have you found in your experience that few pharmacists in the Pennsylvania area actually compound prescriptions?

Mr. LIVINGSTON. Very few.

Mr. PERITO. Now, I direct your attention, sir, to April of 1970. Did there come a time when you received some communication from M. Brenner & Sons, Inc., drug wholesalers in Harrisburg?

Mr. LIVINGSTON. Yes, there was.

Mr. PERITO. Could you tell us, sir, what that communication was and what transpired after that communication?

Mr. LIVINGSTON. Yes. In April of 1970, we received a complaint from officials at the Brenner Wholesale Drug Co. in Harrisburg, that an individual by the name of Leonard Cohen, a pharmacist, who owns the Senate Drugstore at third and Boss Streets in Harrisburg had been for some time purchasing excessive quantities of No. 4 gelatin capsules. These purchases began in 1969, and increased dramatically in the spring of 1970.

After we began our investigation, and we learned of the size of these purchases, and also from our knowledge of Mr. Cohen, and his repu-



tation in the community, we were certain that these capsules were going into the illicit traffic.

At this point we were faced with a decision of whether to cut him off at the Brenner Wholesale Drug Co. and run the risk of him dealing with a wholesaler in another area, which may not have been so cooperative, or allow Brenner to continue supplying him but to allow us to control his deliveries in an effort to determine the suspects who were buying them and the destination.

We elected to do the latter, and from April 1970 through August 1970, we made six such controlled deliveries to Mr. Cohen.

Our investigation showed that Mr. Cohen personally went to the wholesale drug company in his personal car, picked up the capsules, in every instance returned them to his residence, they were not taken to the pharmacy.

Mr. PERITO. Where was Mr. Cohen's residence located?

Mr. LIVINGSTON. His residence is 321 Seneca Street, which is roughly 12 blocks from his pharmacy. Once Mr. Cohen returned to the residence with his capsules and took them inside, we conducted surveillances of his residence in an effort to determine who was buying the capsules and where they were going.

On seven occasions when we conducted surveillances five of these were fruitless, that is we were not able to observe any transaction. This was primarily due to critical manpower shortage and we were unable to keep a surveillance on the house for more than 12, 14, 16 hours.

However, on two occasions we were able to observe transactions take place. On July 24 of this year at approximately 1 p.m. in the afternoon, shortly after Mr. Cohen picked up a shipment of capsules from Brenner's, a 1970 Chevrolet with Maryland registration was observed stopping in front of his residence and a colored male suspect got out of the car, entered Mr. Cohen's residence, and returned with a large carton of capsules and a pound of lactose. A registration check of this car revealed it to be listed to a Delphine Burman of Baltimore, Md., who is the wife of one of the larger traffickers in the Baltimore area, Charles Burman. Subsequently, we did identify a photograph of Charles Burman as the individual who was there on that day.

Mr. PERITO. Excuse me, Mr. Livingston, at this point could you tell the committee, based upon your experience, what lactose is used for?

Mr. LIVINGSTON. Lactose is used as a cutting agent, an adulterant for packaging of narcotics.

Mr. PERITO. And could you further tell us the standing order which Mr. Cohen made to M. Brenner & Sons for empty gelatin capsules?

Mr. LIVINGSTON. Mr. Cohen had a standing order of 240,000 capsules per week, the wholesaler was unable to get that many that often but that is what he wanted.

Mr. PEPPER. Mr. Livingston, how many capsules would you estimate were contained in what you described as a large package or receptacle that the man brought out of the house?

Mr. LIVINGSTON. We estimated it to be about 60,000 or 70,000. Subsequently we learned, I believe, it was 60,000 capsules.

Our intention on this particular date was to maintain a constant surveillance of this suspect into Maryland, so he could be appre-



hended and arrested by the Maryland State Police. We had arrangements set up in advance. Unfortunately, we were—we lost him—we were unable to keep a surveillance, primarily due to manpower limitations and communications difficulties on our part.

So this individual was not taken into custody.

However, on August 11, 1970, Mr. Cohen picked up a shipment of 155,000 capsules at Brenner's at approximately noon. We maintained a surveillance on his residence from that time until midnight. Shortly after midnight, on August 12, we observed a 1961 Lincoln Continental with Maryland registration bearing two colored male suspects circling the area of Mr. Cohen's residence, apparently looking for surveillance units. After about four trips around the block they parked in a nearby alley and one suspect, whom we later identified as James Blunt of Baltimore, entered the Cohen residence and left a few minutes later with three large brown bags apparently containing capsules, and subsequently found out there were 2 pounds of lactose and a 5-ounce bottle of quinine.

Mr. PERITO. Could you tell us, sir, on the basis of your prior experience as a narcotics agent, what quinine hydrochloride is commonly used for in the heroin trade?

Mr. LIVINGSTON. Quinine is used exclusively to cut heroin.

Mr. PERITO. Have you found in your experiences in Pennsylvania generally that quinine and lactose are often used as cutting agents for heroin?

Mr. LIVINGSTON. At times, yes. It is difficult to get quinine, that is why they have to use lactose, baking soda, what have you, other materials.

Mr. PERITO. Please continue your narrative about Mr. Cohen's activities.

Mr. LIVINGSTON. After the suspect Blunt returned to the car, we were able to maintain a continuous surveillance down Interstate Route No. 83 toward the direction of the Maryland line. Fortunately, we had a great deal of cooperation from the Maryland State Police and the Baltimore County Police and they had units covering virtually every road crossing into Maryland in that vicinity. We lost these suspects momentarily just above the border, and fortunately picked them up again as they were crossing into Maryland. We pursued them along with the Maryland State Police at speeds in excess of a hundred, 110 miles an hour, and finally brought them to a stop in the town of Parkton, Md., which is a few miles below the border. Here they abandoned the car and fled into the woods, but Maryland authorities were able to seize the car and confiscate 65,000 gelatin capsules, 2 pounds of lactose, and one 5-ounce bottle of quinine.

These suspects were taken into custody the following day and charged with violation of the Maryland Control Dangerous Substances Act.

Mr. PERITO. By the way, Mr. Livingston, when did the Maryland statute go into effect?

Mr. LIVINGSTON. July 1, 1970.

Mr. PERITO. And the situation that you are describing now occurred after July 1, 1970?

Mr. LIVINGSTON. That is correct.

Mr. PERITO. Please continue, sir.

Mr. LIVINGSTON. At this point, we were very desirous of initiating some type of prosecution against Mr. Cohen. Our law has no—or our State has no—law regarding paraphernalia, so we were unable to do anything there. I spoke to a number of attorneys with the Bureau of Narcotics and Dangerous Drugs and we were unable to bring any Federal prosecution or conspiracy charges against Mr. Cohen.

As sort of a last resort we, on August 21, 1970, agents of our office, confronted Mr. Cohen at his home and after advising him of his rights, we questioned him for some time. At this time he was very cooperative, he admitted having sold large quantities of capsules, lactose, and quinine to individuals from the Baltimore area for a period of about 20 months or longer. He stated that his prices for this material were as follows: A box of 5,000 No. 5 gelatin capsules sold for \$45. This cost him, wholesale price of approximately \$11.85.

For a 5-ounce bottle of quinine which cost him roughly \$19.40 he received the sum of \$85. And for a pound of lactose he received \$4, this cost him roughly \$1.48.

He further identified approximately 11 individuals from the Maryland area, from the Baltimore, Md., area, five or six of whom were reputed to be the top traffickers in Baltimore. Some of these names are James Wescott, Sally Bryant, who is a girlfriend of Wescott, Charles Burman whom I mentioned before, Charles D. Robinson, and Elijah Davis and several others which the next witness is probably more familiar with than I am.

These individuals were initially introduced to Mr. Cohen by a female suspect in Harrisburg, by the name of Elizabeth Parham, who is one of our principal dealers in Harrisburg. She, of course, was receiving her supply from these traffickers in Baltimore, and in turn she introduced them to Mr. Cohen for the purpose of buying paraphernalia. After this introduction they were able to deal with him person-to-person. They cut her out of the picture.

Mr. PEPPER. In other words, Mr. Livingston, you are saying that these transactions were not in the ordinary course of trade with respect to these articles.

Mr. LIVINGSTON. That is correct. These transactions all took place from the suspect, Mr. Cohen's residence, at sometimes very odd hours. This one was 12:30 in the morning. He has told us of others which occurred at 4, 5, 6 o'clock in the morning. This was outside the normal drugstore business operation.

There was another case in which an apprehension was made not involving Mr. Cohen. This sale was made by the Peoples Drug Store in Harrisburg at our request. This is a legitimate firm that got an inquiry about capsules and we told them to go ahead and sell it.

Mr. PERITO. Who was their supplier?

Mr. LIVINGSTON. These were Parke-Davis capsules which I believe they bought direct from Parke-Davis, at some distribution point in Maryland, I believe. But at any rate, on July 14, 1970, two suspects from Baltimore by the name of William Franklin and George Emmons purchased 25,000 No. 5 capsules and a pound of lactose at this Peoples pharmacy in Harrisburg.

Here we were successful in conducting a mobile surveillance on these suspects down Interstate Route No. 83 into Maryland where they were apprehended by the Maryland State police, and again charged with violation of that controlled paraphernalia law. These individuals

are known to be associated with the suspects that I previously mentioned from Baltimore.

Our further investigation of Mr. Cohen's activities disclosed that he purchased a total of 375,000 No. 5 capsules during 1969. This was at a wholesale cost to him of \$888.

In 1970 through August he had purchased a total of 1,271,000 No. 5 capsules. In addition the wholesaler was holding 617,000 more that he had ordered but we refused to allow him to purchase. So the total comes to over 2 million capsules in 2 years.

Mr. WALDIE. May I interrupt a moment?

Mr. LIVINGSTON. Yes, sir.

Mr. WALDIE. Under what authority could you refuse his right to purchase in Pennsylvania?

Mr. LIVINGSTON. We felt that under the circumstances after we had definitely established that these items were going to illicit traffickers that we could voluntarily or ask the wholesaler to voluntarily refuse, to quit selling capsules to him.

Mr. WALDIE. If the wholesaler had refused would you have had any power to compel him?

Mr. LIVINGSTON. No, sir. The wholesaler in this case was extremely cooperative and did whatever we requested.

Mr. WALDIE. But there was no law that permitted you to have taken that action absent his voluntary cooperation?

Mr. LIVINGSTON. Yes, sir.

Mr. PEPPER. Excuse me, may I call attention to the fact that another one of our able colleagues, Mr. Wiggins of California is present. By the way, we are pleased also to see some of our colleagues from the House who are here with us and hope they will stay as long as they can.

Mr. LIVINGSTON. Our investigation also disclosed that using the prices which Mr. Cohen quoted to us, that he grossed a total of \$15,000 from the sale of these capsules. The total cost to him was \$3,911, and his gross, based on figures that he quoted to us, was \$15,045 resulting in a net profit of \$11,133. This is in roughly a year and a half period.

The quantity of quinine which he bought cost him \$501 wholesale, and based on his price he sold that for \$2,580 for a profit of just over \$2,000.

There was a total of 150 ounces of quinine purchased during 1970, and a total of 98 pounds of lactose purchased in 1969 and 1970 for a total figure.

Mr. PEPPER. In view of your extensive experience in the drugs, narcotics field, do you know any other market except something in relationship to the distribution of heroin that would have yielded anything like such profits to the people who were distributing these paraphernalia.

Mr. LIVINGSTON. None other, sir.

Mr. PERITO. Mr. Livingston, did you have occasion to secure copies of the records of M. Brenner & Sons reflecting the purchases made by Senate Drug Store?

Mr. LIVINGSTON. Yes; we did.

Mr. PERITO. I will ask our chief hearings officer, Mr. Bedell, to hand you the copies which you have produced and which have been



folioed pages Nos. 1 through 59, and ask you, sir, if you can identify these copies? (See exhibit 1, p. 11.)

Mr. LIVINGSTON. Yes; those are copies which I personally received from the Brenner Wholesale Drug Co. of every invoice involving purchases of capsules, lactose, and quinine by Mr. Cohen for those 2 years.

Mr. PERITO. Now, for the year 1970, did Mr. Cohen order more gelatin capsules than he actually received?

Mr. LIVINGSTON. Yes.

Mr. PERITO. Could you explain the reason that occurred, sir?

Mr. LIVINGSTON. Well, as I mentioned before, he actually received 1,271,000. He had an additional 617,000 on hand at the wholesale drug company which we refused to let, to be released to him. This was around the time of August 11 when these apprehensions were made. At this point we felt we could not allow him to have any more capsules. We knew definitely where they were going and what they were being used for.

Mr. PERITO. When you had that discussion with Mr. Cohen on or about August 11, 1970, did he ever mention to you anything about glassine envelopes?

Mr. LIVINGSTON. Yes; he stated that some of the suspects, whom he identified by name, were pressuring him to supply them with glassine envelopes. Mr. Cohen told me at that time that they would pay \$13 or \$14 a thousand and that if he could get them it would only cost him \$2 or \$3 a thousand. He did attempt to obtain these. He contacted a firm whose name I am not familiar with in an effort to get them but he was not successful in getting any glassine envelopes.

They also wanted to buy from him cocaine, many of the hard narcotics, legal hard narcotics, and many of the controlled drugs, the amphetamines and barbiturates. Mr. Cohen has denied making any such sales and we have no evidence of such sales.

Mr. PEPPER. Mr. Livingston, we are very much pleased to hear you say that this gentleman had difficulty in buying the glassine envelopes. It is a compliment to such companies as the United States Envelope Co. who, previous to our hearings in New York, were manufacturing and selling in very large quantities these glassine envelopes, but after they found out the illegitimate use to which they were being put, the United States Envelope Co. and other companies, including many local pharmacists, came and voluntarily said they would, in the case of the manufacture, discontinue manufacturing and inventorying these glassine envelopes, and we commend the companies for doing that and hope many others in the country when they find that they are perhaps innocently producing a product which is contributing to the terrible heroin traffic in this country will follow their example. Go ahead.

Mr. PERITO. Mr. Chairman, at this point I would ask that the copies folioed pages Nos. 1 through 59 be marked "Exhibit No. 1" and offered in evidence as a part of the record.

Mr. PEPPER. Without objection they will be received in the record. (The material referred to above was marked "Exhibit No. 1" for reference and follows:)

## EXHIBIT No. 1

**M. BRENNER AND SONS INC.** SERVICE WHOLESALE DRUGGISTS  
SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17101  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

248 +9

ORDER DATE 1/21/69

PICKERS

TERMS NO SHEETS  
30 2

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

FINAL CHECKER DATE WORKED

NO TRAYS 174

SOLD TO Senate Drug  
1000 N 3rd  
Harrisburg Penna

SHIP VIA

O.T.

DATE 1/21/69

TERMS: 2% 10th PROX. NET THEREAFTER

| ✓  | QTY                                 | REMARKS                         | KEEP ALL WRITING BETWEEN HEAVY BACKLINES | EXTENSION | ✓ | QTY | REMARKS |
|----|-------------------------------------|---------------------------------|--|-----------|---|-----|---------|
| 1  | ✓ 2                                 | 100 Typhoid side capsules       |  | 238       | ✓ | 238 |         |
| 2  | ✓ 6                                 | Secret Regular                  |  | 236       | ✓ | 236 |         |
| 3  | ✓ 3 <sup>100</sup> / <sub>100</sub> | 105 Regular Small 94ff          |  | 216       | ✓ | 216 |         |
| 4  | ✓ 3 <sup>100</sup> / <sub>100</sub> | " Blue 1 94ff                   |  | 216       | ✓ | 216 |         |
| 5  | ✓ 3 184                             | Medium Vistales                 |  | 189       | ✓ | 189 |         |
| 6  | ✓ 1                                 | 100 Stelazine 2mg               |  | 786       | ✓ | 786 |         |
| 7  | ✓ 1                                 | 100 Benadryl Caps 25mg          |  | 163       | ✓ | 163 |         |
| 8  | ✓ 1                                 | 100 PB 2 Tablet 50mg            |  | 280       | ✓ | 280 |         |
| 9  | ✓ 1                                 | 6X20 Ortho Novum 2mg            |  | 846       | ✓ | 846 |         |
| 10 |                                     | Real Plr                        |  |           |   |     |         |
| 11 | ✓ 3 129                             | Preparation Hoint Small         |  | 290       | ✓ | 290 |         |
| 12 | ✓ 1                                 | 16g Strong ammonia Water        |  | 48        | ✓ | 48  |         |
| 13 | ✓ 1                                 | 1000 #1 Crystal Caps            |  | 327       | ✓ | 327 |         |
| 14 | ✓ 1                                 | 1000 Plastypac Disposable       |  |           |   |     |         |
| 15 |                                     | Insulin Syringe 80 Unit 2cc 1/2 |  |           |   |     |         |
| 16 |                                     |                                 |  |           |   |     |         |
| 17 |                                     |                                 |  |           |   |     |         |
| 18 |                                     |                                 |  |           |   |     |         |
| 19 |                                     |                                 |  |           |   |     |         |
| 20 |                                     |                                 |  |           |   |     |         |
| 21 |                                     |                                 |  |           |   |     |         |

G.O.D.

135195

270-

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale

C - Specified uncertainty

F - Back ordered, will ship on arrival

M - Ordered to be sent direct

E - Free goods expired

O - Temporarily out, please reorder

D - Can not supply

N - Not available from Mfr.

P - Sold in full packages only

X - Narcotic order required

100% PAY

100% PAY

13249\*

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

TURNOVER

ELECTRON

TELEPHONE

ADDRESS

| CASE CHECKER | NO. OF CASES | NO. OF PACKS | PACKER | IN REPACKS |
|--------------|--------------|--------------|--------|------------|
|              |              |              | 52     |            |

REGISTRATION NO.  
25-13914

## EXHIBIT No. 1—Continued

M. DRENNER AND SONS INC.

SERVICE WHOLESALE

JUN 31 - 69

JUGGTS 1 142

+ 9

ORDER

DATE

1/1/69

PICKERS

65-

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17103

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

|      |           |
|------|-----------|
| TEER | NO SHEETS |
| 30   | 1         |

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER.

FINAL CHECKER

DATE WORKED

57/1/31

NO TRATS

1/8/69

SOLD TO

Senate Drug

Harrisburg PA

SHIP VIA

O.F.

DATE

1/31/69

TERMS 2-10-100 NET THEREAFTER

KEEP ALL WRITING BETWEEN BLACK LINES

EXTENSION

|    |   |                            |   |     |     |
|----|---|----------------------------|---|-----|-----|
| 1  | 3 | 1000 Empty gelatin caps #5 | 1 | 774 | 774 |
| 2  |   |                            |   |     |     |
| 3  |   |                            |   |     |     |
| 4  |   |                            |   |     |     |
| 5  |   |                            |   |     |     |
| 6  |   |                            |   |     |     |
| 7  |   |                            |   |     |     |
| 8  |   |                            |   | 774 |     |
| 9  |   |                            |   | 15  |     |
| 10 |   |                            |   |     |     |
| 11 |   |                            |   |     |     |
| 12 |   |                            |   |     |     |
| 13 |   |                            |   |     |     |
| 14 |   |                            |   |     |     |
| 15 |   |                            |   |     |     |
| 16 |   |                            |   |     |     |
| 17 |   |                            |   |     |     |
| 18 |   |                            |   |     |     |
| 19 |   |                            |   |     |     |
| 20 |   |                            |   |     |     |
| 21 |   |                            |   |     |     |

C.O.D.

Cash net

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

B - Regulation or Mfr's policy restricts sale  
C - Specified unclearly  
F - Back ordered, will ship on arrival  
M - Ordered to be sent direct  
E - Free goods expired

O - Temporarily out, please reorder  
D - Can not supply  
N - Not available from Mfr.  
P - Sold in full packages only  
X - Narcotic order required

PAY THIS AMOUNT \$

759

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

REGISTRATION NO.  
25 - 13914

ADDER

|              |              |              |        |            |
|--------------|--------------|--------------|--------|------------|
| CASE CHECKER | NOV/11/CASES | NOV/11/CASES | PACKER | IN REPACKS |
|              |              |              | 47     |            |

## EXHIBIT No. 1—Continued

W. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17108

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

J0225 402

ORDER DATE 1/10/6

PICKERS

65-67

FINAL CHECKER 57 DATE WORKED 2/26

NO TRAYS 56

SOLD TO

Snate Drug  
3rd St  
Harrisburg, PA

SHIP VIA

O.T.

DATE 2/26/69

TERMS: 2% NET THEREAFTER

EXTENSION \*

C 11/5

B 8/6

| ✓  | QTY | DESCRIPTION            | EXTENSION * |
|----|-----|------------------------|-------------|
| 1  | 1   | 5000 Empty Gel Caps #5 | 1.185       |
| 2  | 1   | 100 Soma col tabs      | 3.16        |
| 3  |     |                        |             |
| 4  |     |                        |             |
| 5  |     |                        |             |
| 6  |     |                        | 200.10      |
| 7  |     |                        | 40-         |
| 8  |     |                        |             |
| 9  |     |                        |             |
| 10 |     |                        |             |
| 11 |     |                        |             |
| 12 |     |                        |             |
| 13 |     |                        |             |
| 14 |     |                        |             |
| 15 |     |                        |             |
| 16 |     |                        |             |
| 17 |     |                        |             |
| 18 |     |                        |             |
| 19 |     |                        |             |
| 20 |     |                        |             |
| 21 |     |                        |             |

C.O.D.

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT \$ 19.61 \*

☐ TURNOVER☐ ELECTRONIC☐ TELEPHONE

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

| CASE CHECKER | QUANTITY CASES | IN REPACKS | PACKETS | IN REPACKS |
|--------------|----------------|------------|---------|------------|
| 11           |                |            | 67      | X          |

REGISTRATION NO. 25-13214

XODER

## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALER DRUGGISTS  
 SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105  
 AREA CODE 717 • ORDER DEPARTMENT 236-3081 • TELEPHONE 233-4531

610

ORDER  
DATE 1/7/69  
 PICKERS

SOLD TO

*Senate Drug*  
*3rd St.*  
*Harrisburg PA*

TERM NO SHEETS  
 1

ALL CLAIMS FOR BREAKAGE  
 OR SHORTAGE MUST BE RE-  
 PORTED WITHIN 24 HOURS  
 AFTER RECEIPT OF GOODS  
 ACCOMPANIED BY DATE AND  
 INVOICE NUMBER

FINAL CMT 113 68  
 DATE MOVED 4/11

NO TRAYS 57

SHIP VIA

DATE 3/11/69

TERMS: 2% 10th PROX. NET THEREAFTER

KEEP ALL WRITING BETWEEN THESE TWO LINES

EXTENSION

C 12 10

| ✓  | QTY | PRICE | DESCRIPTION  | EXTENSION | C     |
|----|-----|-------|--|-----------|-------|
| 1  | 5   |       | 1000 Empty Gel caps #5<br>@ 5000 Pncp<br>11.85<br>3-12 | 1590      | 12 10 |
| 2  |     |       |  |           |       |
| 3  |     |       |  |           |       |
| 4  |     |       |  |           |       |
| 5  |     |       |  |           |       |
| 6  |     |       |  |           |       |
| 7  |     |       |  |           |       |
| 8  |     |       |  |           |       |
| 9  |     |       |  | 1390      |       |
| 10 |     |       |  | 26        |       |
| 11 |     |       |  |           |       |
| 12 |     |       |  |           |       |
| 13 |     |       |  |           |       |
| 14 |     |       |  |           |       |
| 15 |     |       |  |           |       |
| 16 |     |       |  |           |       |
| 17 |     |       |  |           |       |
| 18 |     |       |  |           |       |
| 19 |     |       |  |           |       |
| 20 |     |       |  |           |       |
| 21 |     |       |  |           |       |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation as Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 R - Narcotic order required

NEW  
 THE AMOUNT \$ 1264

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

WHEN REMITTING PLEASE SHOW  
 DATE AND AMOUNT OF INVOICE

REGISTRATION NO.  
 25-13914

ADDRESS

CASE CHECKER  
 NO MULTIPLE CASES  
 NO REPACKS  
 PACKER  
 IN REPACKS  
 74 X



## EXHIBIT No. 1—Continued

**M. BRENNER AND SONS INC.** SERVICE WHOLESALE DRUGGISTS  
SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

Leante Drug Store  
3rd & Hazel St  
Harrisburg Pa.

TER. 30 NO. SHEETS 1

ALL CLAIMS FOR BREAKAGE OR SHORTAGE MUST BE REPORTED WITHIN 24 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER

ORDER DATE

3/20/69

PICKERS

54 55

65-51-55

64370

FINA. CHECKER DATE WORKED

NO. TRAYS

1/152

TERMS. 2% 10th PROX. NET THEREAFTER

SHIP VIA

1 early a.m.

DATE

3/20/69

|     | QUANTITY | DESCRIPTION                | EXTENSION* |   |      |
|-----|----------|----------------------------|------------|---|------|
| X 1 | ✓ 1 case | Kohutsson AC 4g            | 288.0      | 1 | 2880 |
| 2   | ✓ 6      | Konidera CT 5g or any size | 7.92       | 3 | 792  |
| 3   | ✓ 1 1475 | Refe O Hair Unit Pse #300  | 9.97       | 3 | 997  |
| 4   | ✓ 1      | Min. Unit                  | 35.0       | A | 350  |
| 5   | ✓ 2      | Medic. for slow infl       | 57.0       | B | 570  |
| 6   | ✓ 3 50   | Shell Collagen Film        | 10.0       | B | 100  |
| 7   | ✓ 1      | 100 Conid. Pse             | 655        | B | 655  |
| 8   | ✓ 2      | 100 Loper                  | 131.0      | B | 1310 |
| 9   | ✓ 3      | 100 Pengay Unit 141        | 22.1       | A | 221  |
| 10  | ✓ 1      | 100 Unit 0.5               | 57.7       | B | 577  |
| 11  | ✓ 1      | 100 25                     | 36.5       | B | 365  |
| 12  | ✓ 54     | No dy 1st Ind              | 22.7       | A | 227  |
| 13  | ✓ 1      | 100 Loper                  | 61.2       | B | 612  |
| 14  | ✓ 1      | 100 Vasodilan Tab          | 53.9       | B | 539  |
| 15  | ✓ 1      | Cythrone slow Tab          | 100.6      | B | 1006 |
| 16  | ✓ 2      | 20 Mech Pse                | 27.8       | B | 278  |
| 17  |          |                            |            |   |      |
| 18  |          |                            | 114.79 S   |   |      |
| 19  |          |                            | 230-       |   |      |
| 20  |          |                            |            |   |      |
| 21  |          |                            |            |   |      |

**G.O.D.**

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

B - Regulation or Mfr's policy restricts sale  
C - Specified unclearly  
F - Back ordered, will ship on arrival  
M - Ordered to be sent direct  
E - Free goods required  
O - Temporarily out, please reorder  
D - Can not supply  
N - Not available from Mfr.  
P - Sold in full packages only  
X - Narcotic order required

THIS AMOUNT

112.49\*

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

REGISTRATION NO. 25-13914

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE  
☐ ADDER

| CASE CHECKER | NO. OF CASES | NO. OF PACKS | PACKER | IN REPACKS |
|--------------|--------------|--------------|--------|------------|
| ✓            | 4            | 1            | 52     |            |

## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17109

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

*Senate Drug**3rd +**Harrisburg PA*

TERMS NO SHEETS

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBERORDER  
DATE

PIECES

65-

FINAL CHECKER DATE MOVED

5748

87

TERMS 2% 10th PROX NET THEREAFTER

SHIP VIA

*Lat-tunc*

DATE

*OT 4/8/69*

KEEP ALL WRITING BETWEEN THESE LINES

EXTENSION

|    |   |      |                    |      |      |
|----|---|------|--------------------|------|------|
| 1  | 2 | 5000 | Empty gel caps #5- | 2320 | 1237 |
| 2  | 5 | 1000 | " " " "            | 1290 | 1129 |
| 3  |   |      |                    |      |      |
| 4  |   |      |                    |      |      |
| 5  |   |      |                    |      |      |
| 6  |   |      |                    |      |      |
| 7  |   |      |                    |      |      |
| 8  |   |      |                    |      |      |
| 9  |   |      |                    |      |      |
| 10 |   |      |                    |      |      |
| 11 |   |      |                    |      |      |
| 12 |   |      |                    |      |      |
| 13 |   |      |                    |      |      |
| 14 |   |      |                    |      |      |
| 15 |   |      |                    |      |      |
| 16 |   |      |                    |      |      |
| 17 |   |      |                    |      |      |
| 18 |   |      |                    |      |      |
| 19 |   |      |                    |      |      |
| 20 |   |      |                    |      |      |
| 21 |   |      |                    |      |      |

C.O.D.

~~Cash~~

36605

74-

C.O.D.

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- R - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods required
- O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY  
THIS AMOUNT

3586\*

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

ADDRESS

| CASE CHECKER | WHOLESALE CASES | MINOR REPACKS | PACKER | IN REPACKS |
|--------------|-----------------|---------------|--------|------------|
|              |                 |               |        |            |

REGISTRATION NO.  
25-13914

## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105 APR 16 1969 10416176  
AREA CODE 717 • ORDER DEPARTMENT 234-3981 • TELEPHONE 233-4531

SOLD TO

Senate Drug  
3rd + Broad St.  
Harrisburg PA

SHIP VIA

OT

DATE

4/16/69

ORDER  
DATE

4/16/69

PICKED 11:30

65-60  
62

FINAL CHECKER DATE WORKS

57416

NO. TRAYS 117

TERMS: 2% 10th PROX. NET THEREAFTER

KEEP ALL WRITING BETWEEN REPLY SLIPS

EXTENSION

| ✓  | QTY    | DESCRIPTION                    | EXTENSION | EXTENSION |
|----|--------|--------------------------------|-----------|-----------|
| 1  | ✓ 1    | 50 Sanatol tab                 | 75.0      | B 75      |
| 2  | ✓ 1    | 100 Mellaril 50mg              | 85.3      | B 85      |
| 3  | ✓ 2    | 100 Diamox tab 250mg           | 158.2     | B 158     |
| 4  | ✓ 1    | 100 Quibron cap                | 50.0      | B 50      |
| 5  | ✓ 1    | 100 Quardral tab               | 40.0      | B 40      |
| 6  | ✓ 1    | 100 Lidocaine tab              | 22.5      | B 22      |
| 7  | ✓ 1    | 15gm Cordran w 0.08%           | 18.9      | B 18      |
| 8  | ✓ 1    | 500 Esmagesic                  | 45.4      | B 45      |
| 9  | ✓ 2    | CX 126 - Film 12               | 21.6      | B 21      |
| 10 | ✓ 2 22 | <del>Therobond</del> Throclube | 31.6      | B 31      |
| 11 | ✓ 1    | pt Bonalg.                     | 60.0      | B 60      |
| 12 | ✓ 1    | pt Clin Bonalg                 | 18.3      | B 18      |
| 13 | ✓ 3    | Neruine lig 2 1/2              | 14.1      | B 14      |
| 14 | ✓ 3    | 83                             | 33.5      | B 33      |
| 15 | ✓ 2    | 150w Pen Vee K10-70 41 D165    | 52.2      | B 52      |
| 16 | ✓ 1    | 100 Thozine 25mg               | 57.0      | B 57      |
| 17 | ✓ 1    | Case Sibulax                   | 65.3      | B 65      |
| 18 | ✓ 1    | Case Rolutussen AC 4g          | 288.0     | B 288     |
| 19 | ✓ 3    | 4 Lactose                      | 4.17      | B 4       |
| 20 | ✓ 1    | 30 Metomaxil capsules          | 20.2      | B 20      |
| 21 |        | Case                           | 1198.55   | B 1198    |

THE FOLLOWING CODES EXPLAIN OMISSIONS ON THIS BILL

B - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods; expired

O - Temporary out of stock  
 O - Can't supply  
 P - May be filled from stock  
 P - Special order; not in stock

PAY THIS AMOUNT

240-  
11745\*

TURNOVER

ELECTRONIC

TELEPHONE

ADDRESS

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25-13914

| CASE CHECKER | NO. FULL CASES | NO. IN REPACKS | PACKETS | IN REPACKS |
|--------------|----------------|----------------|---------|------------|
| 66           | 2+             | 1              | 78      |            |

## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA J0030 281  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

Senate Drug  
3rd + Broad St  
Harrisburg PA  
SHIP VIA OT

TERM 30 NO SHIP 2

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER.

|                |             |
|----------------|-------------|
| CIRCLE<br>DATE |             |
| 6/30/69        |             |
| PICKERS 156    |             |
| 73-62          |             |
| 57 5           |             |
| FINAL CHECKER  | DATE WORKED |
| 57630          |             |
| NO TRAYS       |             |
| 181            |             |

TERMS, 2% 10th PROX. NET THEREAFTER

DATE 6/30/69

|    | QTY | UNIT | DESCRIPTION   | EXTENSION |         |
|----|-----|------|---|-----------|---------|
| 1  | 1   |      | 80cc Omnipen Susp <sup>10-10</sup> 1/18750                            | 2.65      | B 2 65  |
| 2  | 1   |      | 50 Travel 4:14  | 5.02      | B 5 02  |
| 3  | 1   |      | 100 Aldomet 250   | 6.84      | B 6 84  |
| 4  | 1   |      | 100 Asordil 40mg  | 3.89      | B 3 89  |
| 5  | 2   |      | 100 Benadryl cap 25mg   | 3.26      | A 3 26  |
| 6  | 1   |      | 100 Max Benadryl 100mg  | 4.00      | B 4 00  |
| 7  | 1   |      | 24 Zimofuron 100mg supp   | 3.30      | B 3 30  |
| 8  | 1   |      | 50 Combil Spina   | 6.55      | B 6 55  |
| 9  | 2   |      | 100 Aldomet 25mg  | 19.40     | B 19 40 |
| 10 | 1   |      | 100 Quinine sulfate cap   | 3.58      | A 3 58  |
| 11 | 1   |      | 100 <sup>3/24</sup> Tetracycl <sup>caps</sup> 250mg <sup>(5-10)</sup> | 4.93      | B 4 93  |
| 12 | 3   |      | 100 One-a-day 600   | 6.00      | A 6 00  |
| 13 | 3   |      | 25 " " " "  | 2.00      | A 2 00  |
| 14 | 1   |      | 125 Kolantyl gel  | 1.40      | B 1 40  |
| 15 | 1   |      | 100 Sustinor tot  | 2.94      | B 2 94  |
| 16 | 3   | .59  | First Aid cr  | 1.18      | B 1 18  |
| 17 | 1   |      | 100 Cytomel 25mg  | 2.28      | B 2 28  |
| 18 | 3   |      | Momom 29 Motomilij  | 1.87      | A 1 87  |
| 19 | 2   |      | Clinitest set   | 3.20      | B 3 20  |
| 20 | 3   |      | Benefit   | 1.40      | A 1 40  |
| 21 | 1   |      | 100 Cortadome at 10cc   | 1.80      | B 1 80  |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- |   |                                     |
|---|-------------------------------------|
| B - Regulation or Mfr's policy restricts sale | D - Temporarily out, please reorder |
| C - Specified unclearly                       | E - Can not supply                  |
| F - Back ordered, will ship on arrival        | N - Not available from Mfr.         |
| M - Ordered to be sent direct                 | P - Sold in full packages only      |
| E - Free goods expired                        | X - Narcotic order required         |

PAY  
THIS AMOUNT \$WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25-13914☐ TURNOVER☐ ELECTRONIC☐ TELEPHONE

ADDRESS

| CASE CHECKER | NO. IN CASES | NO. IN PACKS | PACKER | IN PACKS |
|--------------|--------------|--------------|--------|----------|
|              |              |              | 167    |          |



## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105-3879  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

State Drug Store  
3rd & Pine St  
Harrisburg PaTER. NO. SHEETS  
30 1ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBERORDER  
DATE 7/10/69  
54  
FINAL CHECKER DATE WORKED  
57 7/10  
NO. TRAYS 132

TERMS: 2% 10th PROX. NET THEREAFTER

SHIP VIA OT

DATE 7/10/69 \*

| QUANTITY |   | KEEP ALL WRITING BETWEEN HEAVY BLACK LINES |   | EXTENSION |  |      |  |
|----------|---|--|---|-----------|--|------|--|
| 1        | 1 | Case David lig.                            | 1 | 49.1      |  | 491  |  |
| 2        | 3 | Vaseline Plastic                           |   | 30.0      |  | 300  |  |
| 3        | 3 | dropper Glass                              |   | 30.0      |  | 300  |  |
| 4        | 3 | Vaseline Plastic                           |   | 16.5      |  | 165  |  |
| 5        | 3 | " " Glass                                  |   | 16.5      |  | 165  |  |
| 6        | 1 | Exempt Narcotic Book P-117                 |   | 27.5      |  | 275  |  |
| 7        | 1 | 100 Tythwin Tab 210mg                      |   | 245.8     |  | 2458 |  |
| 8        | 1 | Travel tooth brushes                       |   | 4.00      |  | 400  |  |
| 9        | 1 | 1000 M.T. Ceph 1/5 Chew                    |   | 25.8      |  | 258  |  |
| 10       | 1 | 100 Ibuprofen Tab 5mg                      |   | 19.0      |  | 190  |  |
| 11       |   | (no Hydrocortisone)                        |   |           |  |      |  |
| 12       | 1 | 100 Premarin Tab 1.25mg                    |   | 62.9      |  | 629  |  |
| 13       | 1 | 100 Quinidine Sulf 3gr                     |   | 40.5      |  | 405  |  |
| 14       | 1 | 100 Raudixin 100mg                         |   | 34.2      |  | 342  |  |
| 15       | 3 | Goldberg 10 dip Black                      |   | 27.8      |  | 278  |  |
| 16       |   |  |   |           |  |      |  |
| 17       |   |  |   |           |  |      |  |
| 18       |   |  |   | 66565     |  |      |  |
| 19       |   |  |   | 133-      |  |      |  |
| 20       |   |  |   |           |  |      |  |
| 21       |   |  |   |           |  |      |  |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

|   |                                     |
|---|-------------------------------------|
| B - Regulation or Mfr's policy restricts sale | O - Temporarily out, please reorder |
| C - Specified unclearly                       | D - Can not supply                  |
| F - Back ordered, will ship on arrival        | N - Not available from Mfr.         |
| M - Ordered to be sent direct                 | P - Sold in full packages only      |
| E - Free goods inspired                       | X - Narcotic order required         |

PAY  
THIS AMOUNT \$

6523 \*

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE
WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

| CASE CHECKER | MINOR FULL CASES | NO. NO. REPACKS | PACKER | IN REPACKS |
|--------------|------------------|-----------------|--------|------------|
| 6/11         |                  | 1               | 78     |            |

REGISTRATION NO.  
25-13914
 ADDER  
 \_\_\_\_\_

## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA J-0714 143

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

7587

ORDER  
DATE 1/51/6  
PICKERSTERM NO. SHEETS  
30 1ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBERFINAL CHECKER DATE WORKED  
57 7/1

NO TRAYS 1/67

SOLD TO

Genate Drug  
3rd & 6th St  
H Bg, PA

SHIP VIA Early mon

DATE 7/19/69

TERMS: 2% 10th PROX. NET THEREAFTER

KEEP ALL WRITING BETWEEN HEAVY BACKLINES

EXTENSION\*

| ✓  | QUANT | RETAIL | DESCRIPTION                  | EXTENSION* |        |
|----|-------|--------|------------------------------|------------|--------|
| 1  | 1     |        | 1000 Empty Gel caps #5 white | 258        | 1 558  |
| 2  | 4     |        | 5000 " " " " Pink            | 4740       | 1 4740 |
| 3  | 1     |        | 1000 " " " " "               | 258        | 1 258  |
| 4  |       |        |                              |            |        |
| 5  |       |        |                              |            |        |
| 6  |       |        |                              |            |        |
| 7  |       |        |                              |            |        |
| 8  |       |        |                              |            |        |
| 9  |       |        |                              | 52565      |        |
| 10 |       |        |                              | 105-       |        |
| 11 |       |        |                              |            |        |
| 12 |       |        |                              |            |        |
| 13 |       |        |                              |            |        |
| 14 |       |        |                              |            |        |
| 15 |       |        |                              |            |        |
| 16 |       |        |                              |            |        |
| 17 |       |        |                              |            |        |
| 18 |       |        |                              |            |        |
| 19 |       |        |                              |            |        |
| 20 |       |        |                              |            |        |
| 21 |       |        |                              |            |        |

C.O.D.

Cash

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired

O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT \$

5151\*

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE
WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25-13914

ADDRESS

| CASE CHECKED | NO. PLUM CASES | NO. NO-REPACKS | PACKER | IN REPACKS |
|--------------|----------------|----------------|--------|------------|
|              |                | 1              | 76     |            |

## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGS

1372 +9

ORDER DATE 11/15/53

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17101

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

TERMS NO SHEETS 30 1

PICKERS 5

SOLD TO

Senate Drug

1000 N 3rd

Harrisburg Penna

ALL CLAIMS FOR BREAKAGE OR SHORTAGE MUST BE REPORTED WITHIN 24 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER.

FINAL CHECK 2354

NO TRAYS 5774

TERMS: 2% 10th PROX. NET THEREAFTER

OT

DATE 11/18/53

1 164

| QUANTITY | EXTENSION | DESCRIPTION                   | EXTENSION | QUANTITY |
|----------|-----------|-------------------------------|-----------|----------|
| 1        | 95        | Ultra Sheen Hair Conditioner  | 63        | 63       |
| 2        |           | Ultra Sheen Hair Dressing     |           |          |
| 3        |           | Ultra Sheen Permanent         |           |          |
| 4        | 6 35      | Cuticura Soap                 | 148       | 148      |
| 5        | 1         | 100 Premier 1.25              | 629       | 629      |
| 6        | 1         | Case Isomil                   | 491       | 491      |
| 7        | 3         | Mupronal oint                 | 273       | 273      |
| 8        | 3         | Cream Corn Starch Baby Powder | 105       | 105      |
| 9        | 6 49      | 97 Baby Powder                | 211       | 211      |
| 10       | 3 85      | " " " " " " " "               | 184       | 184      |
| 11       | 3 125     | " " " " " " " "               | 248       | 248      |
| 12       | 1         | 100 Quinine Sulfate 500       | 358       | 358      |
| 13       | 1         | 100 Piscofine Tablet          | 410       | 410      |
| 14       | 1         | 100 Thorazine Tablet 50mg     | 660       | 660      |
| 15       | 6         | 100 Bufferin                  | 652       | 652      |
| 16       | 6 79      | Eschelte Foamy Lemon Limes    | 324       | 324      |
| 17       | 2         | Case Ralutussin AC            | 5760      | 5760     |
| 18       | 12        | Remulan CF                    | 1272      | 1272     |
| 19       |           |                               | 11788     |          |
| 20       |           |                               | 235       |          |
| 21       |           |                               |           |          |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale
- C - Specified uncertainty
- F - Back ordered, will ship on arrival
- M - Ordered to be sent direct
- E - Free goods expired

- O - Unusually old price request
- R - Quantity
- N - Not available from Mfr.
- X - Noncotic order required

PAY THIS AMOUNT

11553\*

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

| CASE CHECKER | UNFULLY CASES | NO REPACKS | PACKER | IN REPACKS |
|--------------|---------------|------------|--------|------------|
| 635          |               |            |        |            |

REGISTRATION NO. 25-13914

☐ ADDER

## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4331

JUL 80 1 63672 +9

ORDER  
DATE 1/5/07  
PICKERS

SOLD TO

Sensate Drug  
3rd St  
Harrisburg, PA

TEAR NO. SHEETS 1

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBERFINAL CHECKER DATE WORKED  
578/1  
NO. TRAYS

TERMS: 2% 10th PROX. NET THEREAFTER

SHIP VIA

O.T.

DATE

8/1/69

KEEP ALL WRITING BETWEEN HEAD BLACK LINES

EXTENSION

59.25

| ✓   | QUANTITY | REMARKS                    | EXTENSION |
|-----|----------|----------------------------|-----------|
| A 1 | 15       | 5000 Empty #5 Caps 1185.25 | 59.25     |
| 2   |          |                            |           |
| 3   |          |                            |           |
| 4   |          |                            |           |
| 5   |          |                            |           |
| 6   |          |                            |           |
| 7   |          |                            |           |
| 8   |          |                            |           |
| 9   |          |                            |           |
| 10  |          |                            |           |
| 11  |          |                            |           |
| 12  |          |                            |           |
| 13  |          |                            |           |
| 14  |          |                            |           |
| 15  |          |                            |           |
| 16  |          |                            |           |
| 17  |          |                            |           |
| 18  |          |                            |           |
| 19  |          |                            |           |
| 20  |          |                            |           |
| 21  |          |                            |           |



118

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
C - Specified quantity  
F - Back ordered, will ship on arrival  
M - Ordered to be sent direct  
E - Free goods expired  
O - Temporarily out, please reorder  
Q - Can not supply  
N - Not available from Mfr.  
P - Sold in full packages only  
E - Nonstock order required

PAY THIS AMOUNT \$ 58.07

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

| CASE CHECKER | NO. FULL CASES | NO. NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-----------------|--------|------------|
|              |                | 1               | 76     |            |

REGISTRATION NO.  
25-13914
☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE  
 ADDER



## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105 249  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

Senate Drug  
3rd Floor  
Harrisburg P.

SHIP VIA

OT

TERMS

NO. SHEETS

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER.ORDER  
DATE

8/11/69

PICKERS

3168

CH 73.5

FINAL PRICE DATE 8/11

NO. TRAYS 2188

TERMS: 2% 10th PROX. NET THEREAFTER

KEEP ALL WRITING BETWEEN HEAVY BLACK LINES

EXTENSION \*

| ✓  | QTY | PRICE | DESCRIPTION                 | EXTENSION | DATE   |
|----|-----|-------|-----------------------------|-----------|--------|
| 1  | ✓ 3 | 145   | Neozema                     | 212       | A 3 12 |
| 2  | ✓ 3 | 198   | Breck Shampoo diff          | 396       | B 3 96 |
| 3  | ✓ 3 |       | Diapirone oint              | 150       | A 152  |
| 4  | ✓ 5 | 28    | Neolestin 3mg               | 7.18      | 7 18   |
| 5  | ✓ 2 | 1.79  | See Breeze pint             | 2.38      | A 238  |
| 6  | ✓ 2 | 135   | 10% Jo Jo Baby oil large    | 2.00      | B 20   |
| 7  | ✓ 2 |       | 100 Artificial Cabs         | 7.92      | B 792  |
| 8  | ✓ 1 |       | 4g Carfusin sol             | 1.74      | B 174  |
| 9  | ✓ 1 |       | mint peroxide spray         | 4.46      | B 446  |
| 10 | ✓ 3 | 199   | Prop H oint large           | 4.93      | A 493  |
| 11 | ✓ 2 | 50    | Ornade Span                 | 9.10      | B 910  |
| 12 | ✓ 3 |       | Neosynalac C. 15mg          | 6.45      | B 645  |
| 13 | ✓ 1 | 14.95 | #300 Lip Ogen               | 9.97      | B 997  |
| 14 | ✓ 3 | 299   | Niko bath log               | 6.00      | B 600  |
| 15 | ✓ 3 | 1.79  | Wella Kolesterol tubes      | 4.08      | B 408  |
| 16 | ✓ 2 | 135   | FDS Spray                   | 1.80      | B 180  |
| 17 | ✓ 1 | 50    | Trilafon 2mg tabs           | 2.68      | B 268  |
| 18 | ✓ 1 | R     | mint Clepe. Donnato         | 2.50      | B 250  |
| 19 | ✓ 1 |       | 5000 Empty #5 capsules pink | 11.85     | B 1185 |
| 20 | ✓ 2 |       | 12g Spallb Cold hot oil     | 2.12      | B 212  |
| 21 | ✓ 1 |       | 1000 Empty #5 capsules pink | 2.58      | B 258  |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

B - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 D - Temporarily out, please reorder  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY  
THIS AMOUNTWHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE
☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

ADDRESS

| CASE CHECKED | NO. FULL CASES | NO. IN REPACKS | PACKER | IN REPACKS |
|--------------|----------------|----------------|--------|------------|
|              |                | 4              | 76     |            |

REGISTRATION NO.  
25 - 13914

## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 170810 226

AREA CODE 717 ORDER DEPARTMENT 234-3081 TELEPHONE 233-4591

SOLD TO

Senate Drug Store

3rd &amp; Base St

Harrisburg Pa

TER. NO SHEETS  
30 3ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER.ORDER  
DATE  
8/18/65PICKERS  
65FINAL CHECKER DATE WORKED  
57 8/18NO. TRAYS  
2 62

TERMS: 2% 10th PROX. NET THEREAFTER

SHIP VIA O T only a M

DATE 8/18/65

| ✓  |   | KEEP ALL WRITING BETWEEN THESE PLACED LINES |  | EXTENSION |       |
|----|---|---|--|-----------|-------|
| 1  | ✓ | ✓   | Actual Exp. 12 <sup>00</sup>           | ✓         | 6.00  |
| 2  | ✓ | ✓   | Mosengill. Poud. Sol                   | ✓         | 1.77  |
| 3  | ✓ | ✓   | " " Med                                | ✓         | 2.97  |
| 4  | ✓ | ✓   | " " Lge                                | ✓         | 6.48  |
| 5  | ✓ | ✓   | " " lig                                | ✓         | 2.72  |
| 6  | ✓ | ✓   | 100 Mysoline 250mg                     | ✓         | 4.68  |
| 7  | ✓ | ✓   | 100 Paraper                            | ✓         | 6.55  |
| 8  | ✓ | ✓   | Ammident Chloro! Paste 2 <sup>00</sup> | ✓         | 1.92  |
| 9  | ✓ | ✓   | 100 Buterapyride -50                   | ✓         | 8.60  |
| 10 | ✓ | ✓   | Per Ver K 250mg 14 <sup>00</sup> 702   | ✓         | 2.38  |
| 11 | ✓ | ✓   | Per Ver K 125mg 1-71/50 cc             | ✓         | 5.48  |
| 12 | ✓ | ✓   | " " K 125 mg 80 cc 471                 | ✓         | 3.18  |
| 13 | ✓ | ✓   | 100 Quinine Sulf Caps 5gr              | ✓         | 3.58  |
| 14 |   |   | cheap or sub (Pilly)                   |           |       |
| 15 | ✓ | ✓   | 100 Paravid Caps                       | ✓         | 9.90  |
| 16 | ✓ | ✓   | 500 Anesec Pulu                        | ✓         | 17.09 |
| 17 | ✓ | ✓   | 350 Juniper tar                        | ✓         | 1.03  |
| 18 | ✓ | ✓   | 2129 Janeen Noucha                     | ✓         | 1.84  |
| 19 | ✓ | ✓   | 2129 Renee lir                         | ✓         | 0     |
| 20 | ✓ | ✓   | 3 Bocard Sol                           | ✓         | 15.6  |
| 21 | ✓ | ✓   | " " Lge                                | ✓         | 3.90  |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restrict sale  
C - Specified unclearly  
M - Ordered to be sent direct  
E - Free goods expired

O - Temporarily out, please reorder  
D - Can not supply  
N - Not available from Mfr.  
P - Sold in full packages only  
X - Mercatic order required

PAY  
THIS AMOUNT \$WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25-13914

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

ADDRESS

| CASE CHECKED | NO. FULL CASES | NO. NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-----------------|--------|------------|
|              |                |                 | JD     | X          |

## EXHIBIT No. 1—Continued

**M. BRENNER AND SONS INC.** SERVICE WHOLESALE DRUGS  
SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO Genete Drug Store  
3rd & 5th St  
Lansburg Pa

1521

TER. NO. SHEETS  
30 1

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

850-1

ORDER DATE 9/4/69

PICKERS 58

23 62

74 50

68 84

NO DAYS 1

NO HOURS 70

TERMS: 2% 10th PROX. NET THEREAFTER

SHIP VIA OT early a.mDATE 9/4/69

| ✓  | QUAN  | EXT | DESCRIPTION                          | EXTENSION | *C    |
|----|-------|-----|--------------------------------------|-----------|-------|
| 1  | 0 2   |     | El Whistle                           | 0         | 0     |
| 2  | 3 98  |     | Mesurim 36"                          | 2.12      | 2 1/2 |
| 3  | 1     | R   | 1000 Butisol bed 1/2pr               | 18.45     | 18 45 |
| 4  | 1     |     | 1000 Proloid 1/2pr                   | 7.43      | 7 43  |
| 5  | 16 X  |     | 20 Anel                              | 9.08      | 9 08  |
| 6  | 1     |     | Mesurim 5-2 (or 10)                  | 3.60      | 3 60  |
| 7  | 1     |     | 100 Lederal 10mg                     | 3.85      | 3 85  |
| 8  | 3 490 |     | Fountain Lyr Comb B.F.G. #26C        | 8.10      | 8 10  |
| 9  | 1     |     | 5000 MT Cap 45 clear Pink            | 11.85     | 11 85 |
| 10 | 1     |     | 1000 MT Cap 45 clear                 | 2.58      | 2 58  |
| 11 | 2     |     | 12 Seale Anisophyllen 577 buffer 7/8 | 3.60      | 3 60  |
| 12 | 1     |     | case Robitussin A C 4g               | 28.80     | 28 80 |
| 13 | 2     |     | 100 Helazine 1mg                     | 13.40     | 13 40 |
| 14 | 1     |     | 100 Anelint tubes                    | 4.35      | 4 35  |
| 15 | 1     |     | 8g Serenat - 1/2pr & 1/2pr           | 3.30      | 3 30  |
| 16 | 1     |     | 1lb " " " "                          | 5.28      | 5 28  |
| 17 | 3     |     | 1/2pr Elisophyllin                   | 7.14      | 7 14  |
| 18 | 1 595 |     | 1/2pr Back Pain Relief #477 (or B/B) | 35.7      | 35 7  |
| 19 |       |     |                                      | 135.90    |       |
| 20 |       |     |                                      | 27.2      |       |
| 21 |       |     |                                      |           |       |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
C - Specified uncertainty  
F - Back ordered, will ship on arrival  
M - Ordered to be sent direct  
E - Free goods expired

O - Temporarily out, please reorder  
D - Can not supply  
N - Not available from Mfr.  
P - Sold in full packages only  
K - Narcotic order required

PAY  
THIS AMOUNT \$

13318\*

☐ TURNOVER☐ ELECTRONIC☐ TELEPHONE☐ ADDER

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

REGISTRATION NO.  
25 - 13914

| CASE CHECKER | NO. FULL CASES | NO. NO. REPACKS | PACKER     | IN REPACKS |
|--------------|----------------|-----------------|------------|------------|
| <u>JP</u>    | <u>12</u>      | <u>2</u>        | <u>118</u> |            |

## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

*Beale Drug*

TERMS NO SHEETS

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBERORDER  
DATE

1/16

PIECES

FINAL CHECKER DATE WORKED

NO. TRAYS

TERMS 2% 10th PROX. NET THEREAFTER

SHIP VIA

DATE

1/16

| QUANTITY |   | KEEP ALL WRITING BETWEEN HEAVY BACK LINES |         | EXTENSION |       |
|----------|---|---|---------|-----------|-------|
| 1        | 7 | 5000 Pink #5 Empty yel caps               | 82.95   |           | 82.95 |
| 2        |   |   |         |           |       |
| 3        |   |   | Less 2% |           | 1.66  |
| 4        |   |   | 1.66    |           |       |
| 5        |   |   | 81.29   |           | 81.29 |
| 6        |   |   |         |           |       |
| 7        |   |   |         |           |       |
| 8        |   |   |         |           |       |
| 9        |   |   |         |           |       |
| 10       |   |   |         |           |       |
| 11       |   |   |         |           |       |
| 12       |   |   |         |           |       |
| 13       |   |   |         |           |       |
| 14       |   |   |         |           |       |
| 15       |   |   |         |           |       |
| 16       |   |   |         |           |       |
| 17       |   |   |         |           |       |
| 18       |   |   |         |           |       |
| 19       |   |   |         |           |       |
| 20       |   |   |         |           |       |
| 21       |   |   |         |           |       |

9/5/64  
MP

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- R - Regulation or Mfr's policy restricts sale  
C - Specified uncertainty  
P - Back ordered, will ship on arrival  
M - Ordered to be sent direct  
E - Free goods as proof
- O - Temporarily out, please reorder  
D - Can not supply  
N - Not available from Mfr.  
P - Sold in full packages only  
B - Narcotic order required

PAY THIS AMOUNT \$ 81.29

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25 - 13914☐ TURNOVER☐ ELECTRONIC☐ TELEPHONE

ADDRESS

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACER | IN REPACKS |
|--------------|----------------|-------------|-------|------------|
|              |                |             |       |            |



## EXHIBIT No. 1—Continued

## M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17104 J 283  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

*Senate Drug  
Boas + 3rd Fls  
Harrisburg, PA*

SHIP VIA

TERMS (NO. SHEETS)

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

DATE 4/10/69

ORDER  
DATE 1/6PICKERS  
30.34

FINAL CHECKER DATE WORKED

NO. TRAYS 2 TRAYS/NO.

TERMS: 2% 10th PROX. NET THEREAFTER

| ✓ QUANTITY |    | REMARKS                | EXTENSION | C |       |
|------------|----|------------------------|-----------|---|-------|
| 1          | 12 | 1000 Empty Gel Caps #5 | 30.96     | 1 | 30 96 |
| 2          |    |                        |           |   |       |
| 3          |    |                        |           |   |       |
| 4          |    |                        |           |   |       |
| 5          |    |                        |           |   |       |
| 6          |    |                        |           |   |       |
| 7          |    |                        |           |   |       |
| 8          |    |                        |           |   |       |
| 9          |    |                        |           |   |       |
| 10         |    |                        |           |   |       |
| 11         |    |                        |           |   |       |
| 12         |    |                        |           |   |       |
| 13         |    |                        |           |   |       |
| 14         |    |                        |           |   |       |
| 15         |    |                        |           |   |       |
| 16         |    |                        |           |   |       |
| 17         |    |                        |           |   |       |
| 18         |    |                        |           |   |       |
| 19         |    |                        |           |   |       |
| 20         |    |                        |           |   |       |
| 21         |    |                        |           |   |       |

*Paid  
4/10/69  
M.P.***PAID***Less 2%**.62**Cash*

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

B - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Nonacute order required

PAY THIS AMOUNT \$ 30.34

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE
☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

ADDER

REGISTRATION NO.  
25 - 13914

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                |             |        |            |

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGS

30912 378

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

Leite Drug Store  
3rd & Loc St  
Harrisburg Pa

SHIP VIA

OT

TERM

30

NO. SHEETS

5

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER.

ORDER

DATE

9/12/65

PICKERS

54

62

575755

TIME

68

7/12

NO. TRAYS

438

INTRANS

438

| ✓  | QUAN | RETAIL | KEEP ALL WRITING BETWEEN HEAVY BLACK LINES | EXTENSION |       |
|----|------|--------|--|-----------|-------|
| 1  | ✓ 1  |        | 100 Bellergal Space tabs                   | ✓ 82.8    | B 828 |
| 2  | ✓ 1  |        | 100 Hygotan 50mg                           | ✓ 48.0    | B 480 |
| 3  | ✓ 1  |        | 100 Durid 0.25gm (10-73)                   | ✓ 36.5    | B 365 |
| 4  | ✓ 1  |        | 70 Mole drug chromules                     | 0         |       |
| 5  | ✓ 1  |        | 100 " " Tab                                | ✓ 1.00    | B 100 |
| 6  | ✓ 1  |        | 100 Quinine Tab 3gr 5774                   | ✓ 40.5    | L 405 |
| 7  | ✓ 1  |        | 100 Quinine half Cap 5gr 6774              | ✓ 35.8    | L 358 |
| 8  | ✓ 1  |        | 100 Benzhydyl Cap 15mg                     | ✓ 16.3    | A 163 |
| 9  | ✓ 3  | 95     | Compoz Sol 12"                             | ✓ 20.9    | A 209 |
| 10 | ✓ 1  |        | 1g Quinine Sol                             | D         | B 0   |
| 11 | ✓ 5  |        | 1000 M T Caps 75                           | 0         | 0     |
| 12 | ✓ 2  |        | Pt Allertonic 2774                         | ✓ 55.0    | A 550 |
| 13 | ✓ 5  |        | 20 Norlethin 1mg (1x5x20)                  | ✓ 66.7    | A 667 |
| 14 | ✓ 1  | x 1x20 | 2.5mg                                      | ✓ 75.0    | A 750 |
| 15 | ✓ 1  |        | 100 Valium 2mg                             | ✓ 65.7    | A 657 |
| 16 | ✓ 1  |        | 100 " 5mg 5774                             | ✓ 80.0    | A 800 |
| 17 | ✓ 1  | R      | 100 Aldinet Tab 50mg 4-74                  | ✓ 53.0    | A 530 |
| 18 | ✓ 1  |        | 100 700 Bid Tab 50mg                       | ✓ 97.3    | B 973 |
| 19 | ✓ 3  |        | h P 12 U 50 9-70                           | ✓ 56.7    | L 567 |
| 20 | ✓ 1  |        | 100 Vasodilan 10mg                         | ✓ 54.4    | B 544 |
| 21 | ✓ 1  |        | 100 Aldomet Tab                            | ✓ 68.4    | B 684 |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- R - Regulation or Mfr's policy restricts sale  
C - Specified uncertainty  
F - Back ordered, will ship on arrival  
M - Ordered to be sent direct  
E - Free goods expired
- O - Temporarily out, please reorder  
D - Can not supply  
N - Not available from Mfr.  
P - Sold in full packages only  
X - Hazardous order required

PAY  
THIS AMOUNT ☒ \$WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25-13914☐ TURNOVER☐ ELECTRONIC☐ TELEPHONE

ADDRESS

| CASE CHECKER | NO. FULL CASES IN | NO. REPACKS IN | PACKER | IN REPACKS |
|--------------|-------------------|----------------|--------|------------|
|              |                   |                | 78     |            |

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17101-2328  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

Genete Drug Store

3rd + Bone St

Harrisburg Pa

TERR 30 NO SHEETS 1

ALL CLAIMS FOR BREKAGE OR SHORTAGE MUST BE REPORTED WITHIN 24 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER

ORDER DATE 9/12/69 PICKERS 22

FINAL CHECKER 59 DATE WORKED 9/12 NO TRAYS 37

SHIP VIA add Will call at desk 9/14/69

| QUANT | RETAIL | KEEP ALL WRITING BETWEEN HEAVY BLACK LINES | EXTENSION |
|-------|--------|--|-----------|
| 1     | 5      | 1 lb <del>Lot</del> Lactose Marsh #6020    | 695-695   |
| 2     |        |  |           |
| 3     |        |  |           |
| 4     |        |  |           |
| 5     |        | Will call shortly                          |           |
| 6     |        |  |           |
| 7     |        |  | 14        |
| 8     |        |  |           |
| 9     |        |  |           |
| 10    |        | 9/12/69                                    |           |
| 11    |        |  |           |
| 12    |        |  |           |
| 13    |        |  |           |
| 14    |        |  |           |
| 15    |        |  |           |
| 16    |        |  |           |
| 17    |        |  |           |
| 18    |        |  |           |
| 19    |        |  |           |
| 20    |        | Cash                                       |           |
| 21    |        |  |           |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- R - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT \$ 681

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

REGISTRATION NO. 25-13914

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE  
 ADDER

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACER | IN REPACKS |
|--------------|----------------|-------------|-------|------------|
|              |                |             |       |            |

## EXHIBIT No. 1—Continued

**M. BRENNER & SONS INC.** SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

*Senate Drug*  
*Box & 3rd St*  
*Harrisburg PA*

SHIP VIA

DATE

10/2/69

ALL CLAIMS FOR BREAKEAGE  
 OR SHORTAGE MUST BE RE-  
 PORTED WITHIN 24 HOURS  
 AFTER RECEIPT OF GOODS  
 ACCOMPANIED BY DATE AND  
 INVOICE NUMBER

ORDER  
DATE

56800

PICKERS

FINAL CHECKER DATE WORKED

NO. TRAYS IN TRAYS

| ✓  | QUANTITY | RETAIL | KEEP ALL WRITING BETWEEN HEAVY BLACK LINES | EXTENSION | C |
|----|----------|--------|--|-----------|---|
| 1  |          |        |  |           |   |
| 2  |          |        |  |           |   |
| 3  | 48       |        | X 5000 Empty Gel Caps #5 clear             | 568.50    |   |
| 4  |          |        |  |           |   |
| 5  |          |        |  |           |   |
| 6  |          |        |  |           |   |
| 7  |          |        |  |           |   |
| 8  |          |        |  |           |   |
| 9  |          |        |  |           |   |
| 10 |          |        |  |           |   |
| 11 |          |        |  |           |   |
| 12 |          |        |  |           |   |
| 13 |          |        |  |           |   |
| 14 |          |        |  |           |   |
| 15 |          |        |  |           |   |
| 16 |          |        |  |           |   |
| 17 |          |        |  |           |   |
| 18 |          |        |  |           |   |
| 19 |          |        |  |           |   |
| 20 |          |        |  |           |   |
| 21 |          |        |  |           |   |

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered - will ship on arrival  
 M - Ordered to be sent direct  
 E - Free good - exp. not  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr  
 P - Sold in full packages only  
 X - Incorrect order required

**PAY  
THIS AMOUNT** \$ 568.50

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

☐ TURNOVER☐ ELECTRON☐ TELEPHON☐ ADDER

CASE CHECKER

WNO. FULL CASES

NO. REPACKS

PACKER

IN REPACKS

REGISTRATION NO.  
25 - 13914



## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC.

SERVICE WHOLESALE DRUGGISTS

OCT 14-69

6251 +9

OCT 14/69

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17104-214  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531SOLD TO Senate Drug Store  
3rd & Broad Street  
Harrisburg, Pa.TERR. NO. SHEETS  
30 2ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBERPICKERS  
G 6254  
57 21-35  
DATE WORKED  
57 10/14  
NO. TRAYS  
1 120

TERMS: 2% 10th PROX. NET THEREAFTER

SHIP VIA O.T. Carley

DATE 10/14/69

| ✓  | QUANTITY | REMARKS                      | EXTENSION |        |
|----|----------|------------------------------|-----------|--------|
| 1  | ✓ 1      | 16oz Seno hot gran           | 55.8      | B 5 58 |
| 2  | ✓ 1      | 5oz                          | 33.0      | B 3 30 |
| 3  | ✓ 1      | 4oz                          | 21.0      | B 2 10 |
| 4  | ✓ 1 1499 | 2 #300 Lupo gen #300         | 99.7      | B 9 97 |
| 5  | ✓ 1 31   | 8oz Envelopes Plastic outfit | 14.1      | B 1 41 |
| 6  | ✓ 2      | Wide holes disc soap         | 57.0      | B 5 20 |
| 7  | ✓ 1      | 100 Purgadinal sat           | 40.0      | B 4 00 |
| 8  | ✓ 2      | 16oz Lactose                 | 29.6      | B 2 96 |
| 9  | ✓ 1      | 100 Tetracycline cap 50mg    | 49.3      | B 4 93 |
| 10 |          |                              |           |        |
| 11 |          |                              |           |        |
| 12 |          |                              | 98185     |        |
| 13 |          |                              | 196-      |        |
| 14 |          |                              |           |        |
| 15 |          |                              |           |        |
| 16 |          |                              |           |        |
| 17 |          |                              |           |        |
| 18 |          |                              |           |        |
| 19 |          |                              |           |        |
| 20 |          |                              |           |        |
| 21 |          |                              |           |        |

C.O.D.  
Case

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
C - Specified quantity  
F - Back ordered, will ship on arrival  
M - Ordered to be sent direct  
E - Free goods expired

O - Temporarily out, please re-order  
D - Can not supply  
N - Not available from Mfr  
P - Sold in full packages only  
X - Non-refillable order required

PAY THIS AMOUNT \$

9622\*

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

|              |                |                    |        |            |
|--------------|----------------|--------------------|--------|------------|
| CASE CHECKER | NO. FULL CASES | NO. NO. REF. PACKS | PACKER | IN REPACKS |
|              |                |                    | 78X    |            |

REGISTRATION NO.  
25-13914
☐ TURN  
☐ ELECT  
☐ TELEPHC  
☐ ADDER

## EXHIBIT No. 1—Continued

**M. BRENNER AND SONS INC.** SERVICE WHOLESALE DRUGGISTS  
 SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105  
 AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4331 29-69

TERMS 4 NO SHEETS 4  
 30 1

ALL CLAIMS FOR BREAKAGE OR SHORTAGE MUST BE REPORTED WITHIN 24 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER.

ORDER DATE 1/6  
 PICKERS 62.70  
 65.24  
 FINAL CHECKER DATE WORKED 57/1/20  
 NO TRAYS 1 62

SOLD TO

*Sevate Drug*  
 1000 N 3rd  
 Harrisburg Penna

SHIP VIA

OT

DATE 1/6/49

TERMS: 2% 10% PROX. NET THEREAFTER

| ✓ QUANTITY |       | REMARKS |                             | EXTENSION |         |
|------------|-------|---------|-----------------------------|-----------|---------|
| 1          | A 1   | 100     | Durand 6.5 (1-74)           | 5.77      | B 5.77  |
| 2          | A 1   | 100     | Cafuzat P13 Tablet          | 10.08     | B 10.08 |
| 3          | A 2   |         | Bul De Brin Bath oil        | 4.20      | B 4.20  |
| 4          | A 2 R | 50      | Dependine capsules 10mg     | 7.10      | B 7.10  |
| 5          | A 1   | 100     | Nactesal Tablet             | 4.25      | B 4.25  |
| 6          | A 2   | 50      | Prozone Caps                | 8.40      | B 8.40  |
| 7          | A 4   |         | autho. Myxal jelly 70 Large | 7.29      | B 7.29  |
| 8          | A 1 R | 100     | Continental Keysal          | 2.53      | B 2.53  |
| 9          | A 1   | 100     | Tenderal Tablet             | 6.90      | B 6.90  |
| 10         | A 1   | 100     | Quinine Cap 5 Hr            | 3.58      | B 3.58  |
| 11         | A 1   | 100     | Cad Luvencal Caps 10min     | 2.60      | B 2.60  |
| 12         |       | #11     | (Not Concentric)            |           |         |
| 13         |       |         |                             |           |         |
| 14         |       |         |                             |           |         |
| 15         |       |         |                             |           |         |
| 16         |       |         |                             |           |         |
| 17         |       |         |                             |           |         |
| 18         |       |         |                             |           |         |
| 19         |       |         |                             |           |         |
| 20         |       |         |                             |           |         |
| 21         |       |         |                             |           |         |

TO BILL  
 C.O.D.

Cash

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
 C - Specified unclear  
 P - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 S - Nonstock order required

PAY THIS AMOUNT \$

62.70\*

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

WHEN REMITTING PLEASE SHOW  
 DATE AND AMOUNT OF INVOICE

REGISTRATION NO.  
 25-13914

| CASE CHECKER | NO. OF FULL CASES | NO. OF REPACKS | PACKER | IN REPACKS |
|--------------|-------------------|----------------|--------|------------|
|              |                   |                | 1-78   |            |

## EXHIBIT No. 1—Continued

## M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17101  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

Senote Drug Store  
3rd & Bass Street  
Harrisburg, Pa

SHIP VIA

O.T. Early

793

+9

TERP  
30NO. SHEETS  
1ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER.ORDER  
DATE

1/10/65

PICKERS

57 62

57 62

FINAL CHECKER DATE WORKS

57 1/1

NO. TRAYS

1 49

TERMS: 2% 10th PROX. NET THEREAFTER

| ✓  | QUANTITY | DESCRIPTION                            | EXTENSION | NO. TRAYS | DATE  |
|----|----------|--|-----------|-----------|-------|
| 1  | 3        | 8oz Paracetamol                        | 2.88      | B         | 2.58  |
| 2  | 2        | 8 Clonal Shown from Black              | 2.20      | B         | 2.20  |
| 3  | 12       | Chap stick                             | 3.60      | B         | 3.60  |
| 4  | 6        | 20 Enovid 5mg <sup>222</sup> Cal. Pack | 10.71     | B         | 10.71 |
| 5  | 370      | Thum                                   | 1.40      | B         | 1.40  |
| 6  | 1        | Cordron - 77 A 15gm #12                | 2.10      | A         | 2.10  |
| 7  | 1        | 100 Serox Cap 15mg                     | 7.39      | B         | 7.39  |
| 8  | 2        | 100 Scrapes                            | 13.10     | B         | 13.10 |
| 9  | 2        | 50 Equanal - 200mg                     | 6.02      | B         | 6.02  |
| 10 | 1 R      | 50 Eskotal - 200mg                     | 5.05      | E         | 5.05  |
| 11 | 1        | 100 Quinine sulfate 5gm                | 3.58      | L         | 3.58  |
| 12 |          | Cheapest sub lilly                     |           |           |       |
| 13 | 1        | 16oz Hypervin B.M.                     | 1.16      | B         | 1.16  |
| 14 | 1        | 50 tussonade 200mg                     | 5.00      | B         | 5.00  |
| 15 |          |  |           |           |       |
| 16 |          |  |           |           |       |
| 17 |          |  |           |           |       |
| 18 |          |  |           |           |       |
| 19 |          |  | 64.195    |           |       |
| 20 |          |  | 1.24      |           |       |
| 21 |          |  |           |           |       |

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or MR's policy restricts sale  
C - Specified unclearly  
F - Back ordered, will ship on arrival  
M - Ordered to be sent direct  
E - Free goods expired

O - Temporarily out, please reorder  
D - Can not supply  
N - Not available from MR.  
P - Sold in full packages only  
X - Narcotic order required

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                | 1           | 206    |            |

PAY  
THIS AMOUNT

6295\*

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25 - 13914
☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE  
☐ ADDER

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA

Jul 20 285

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

|      |            |
|------|------------|
| TERR | NO. SHEETS |
| 30   | 1          |

ALL CLAIMS FOR BREAKAGE OR SHORTAGE MUST BE REPORTED WITHIN 24 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER.

\_\_\_\_\_

ORDER DATE      /      / 6

PICKERS

62 37  
7-60

|              |           |
|--------------|-----------|
| FINAL CHECKS | DATE WORK |
| 57           | 134-      |

|           |    |
|-----------|----|
| NO. TRAYS | 14 |
|-----------|----|

SOLD TO

Senati Drug Store  
3rd + Broad St  
Cedar

SHIP VIA

DATE \_\_\_\_\_

TERMS: 2% 10th PROX. NET THEREAFTER.

05.

DATE 12/2/69

KEEP ALL WRITING BETWEEN THE WORKSHEET LINES

EXTENSION\*

|    | QUANTITY | DESCRIPTION                 | EXTENSION |
|----|----------|-----------------------------|-----------|
| 1  | 1/2      | Capsaicin Lsg               | 4.08      |
| 2  | 1        | 100% Zinc oxide sulfate 5gr | 35.8      |
| 3  | 1        | 5820 Nicotianes Ltd 15gr    | 6.67      |
| 4  | 1        | 5x28 " 2x 12gr              | 2.17      |
| 5  | 1        | 6x24 Ortho Noun 1/20        | 7.92      |
| 6  | 1        | 100% Isomulin 100g          | 6.00      |
| 7  | 1        | 100% Stethyone 2mg          | 8.65      |
| 8  | 2        | Ortho spray 0.17%           | 2.16      |
| 9  | 1        | 100% Dimethyl Extol 12mg    | 55.0      |
| 10 | 1        | 100% Isomul Lated terbirds  | 10.00     |
| 11 | 3.89     | iligid srs Ltd 30's         | 1.87      |
| 12 | 3 119    | " " lsg 63                  | 25.0      |
| 13 | 2 119    | Isental lsg srs             | 1.67      |
| 14 | 3 152    | res symphonia 1/2% spray    | 2.73      |
| 15 | 1/2      | Romulal C.F. 30             | 11.66     |
| 16 | 12       | " C.F. 50                   | 14.52     |
| 17 | 1        | 100% Tardwell Ltd           | 6.90      |
| 18 | 1        | 100% Ectoness Ltd 7/74      | 2.94      |
| 19 |          |                             | 10.6525   |
| 20 |          |                             | 2.14      |
| 21 |          |                             |           |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- R - Regulation or Mfr's policy restricts sale
- C - Specified unclearly
- F - Back ordered, will ship on arrival
- M - Ordered to be sent direct
- E - Free goods expired

O - Temporarily out, please reorder  
D - Can not supply  
N - Not available from Mfr.  
P - Sold in full packages only  
X - Narcotic order required

|                            |                   |
|----------------------------|-------------------|
| <b>PAY<br/>THIS AMOUNT</b> | <b>\$ 104.38*</b> |
|----------------------------|-------------------|

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

REGISTRATION NO.  
25 - 13914

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                | 1           | 118    |            |



## EXHIBIT No. 1—Continued

## M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17106  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 333-4531

SOLD TO

*Senate Drug Store  
3rd & Baker Street  
Harrisburg, Penna.*

TERM.

NO. SHEETS

1

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

ORDER

DATE 1/3/69

PICKERS

65-

FINAL CHECK

DATE

57

NO. TRAYS

1

TERMS ~~NET 30~~ CASH, NET THEREAFTER

SHIP VIA

O.T.

DATE

1/14/69

KEEP ALL WRITING BETWEEN HEAVY BACKLINES

EXTENSION

|    | QTY  | REMARKS                     | EXTENSION |      |
|----|------|-----------------------------|-----------|------|
| 1  | 144  | 160 much Lactose            | 592       | 13 5 |
| 2  | 1 R  | 900 Butters 1/2 qt.         | 270       | 2 2  |
| 3  | 2400 | 189 grain water Broken Bott | 560       | 13 5 |
| 4  |      |                             |           |      |
| 5  |      |                             |           |      |
| 6  |      |                             |           |      |
| 7  |      |                             |           |      |
| 8  |      |                             |           |      |
| 9  |      |                             |           |      |
| 10 |      |                             |           |      |
| 11 |      |                             | 14225     |      |
| 12 |      |                             | 29-       |      |
| 13 |      |                             |           |      |
| 14 |      |                             |           |      |
| 15 |      |                             |           |      |
| 16 |      |                             |           |      |
| 17 |      |                             |           |      |
| 18 |      |                             |           |      |
| 19 |      |                             |           |      |
| 20 |      |                             |           |      |
| 21 |      |                             |           |      |

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Hierarchic order required

PAY

THIS AMOUNT

1393\*

TURNOV

ELECTRC

TELEPHC

ADDER

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25 - 13914

| CASE | PEC | ER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|------|-----|----|----------------|-------------|--------|------------|
|      |     |    |                |             |        |            |

178

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

Senate Drug  
Boas St  
Harrisburg, PA

SHIP VIA

TERE. NO. SHEETS

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBERDATE  
1/9/70

|               |             |
|---------------|-------------|
| ORDER<br>DATE | 1/1         |
| PICKERS       |             |
| FINAL CHECKER | DATE WORKED |
| NO. TRAYS     | STAMP NO.   |

|    |   | KEEP ALL WRITING BETWEEN THESE BLACK LINES |       | EXTENSION | C |
|----|---|--|-------|-----------|---|
| 1  |   |  |       |           |   |
| 2  | 2 | 5000 Emp gel Caps #5 Pink                  | 23.70 | L 23.70   |   |
| 3  |   |  |       |           |   |
| 4  |   | Less 2%                                    | .47   |           |   |
| 5  |   |  |       |           |   |
| 6  |   |  |       |           |   |
| 7  |   |  |       |           |   |
| 8  |   |  |       |           |   |
| 9  |   |  |       |           |   |
| 10 |   |  |       |           |   |
| 11 |   |  |       |           |   |
| 12 |   |  |       |           |   |
| 13 |   |  |       |           |   |
| 14 |   |  |       |           |   |
| 15 |   |  |       |           |   |
| 16 |   |  |       |           |   |
| 17 |   |  |       |           |   |
| 18 |   |  |       |           |   |
| 19 |   |  |       |           |   |
| 20 |   |  |       |           |   |
| 21 |   |  |       |           |   |

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- |   |                                     |
|---|-------------------------------------|
| B - Regulation or Mfr's policy restricts sale | O - Temporarily out, please reorder |
| C - Specified unclearly                       | D - Can not supply                  |
| F - Back ordered, will ship on arrival        | N - Not available from Mfr.         |
| M - Ordered to be sent direct                 | P - Sold in full packages only      |
| E - Free goods expired                        | X - Narcotic order required         |

PAY THIS AMOUNT \$ 23.23

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25 - 13914

|                                     |
|-------------------------------------|
| <input type="checkbox"/> TURNOVER   |
| <input type="checkbox"/> ELECTRONIC |
| <input type="checkbox"/> TELEPHONE  |
| ADDRESS                             |

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                |             |        |            |

## EXHIBIT No. 1—Continued

## M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105  
ARL A CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 439-1531

|               |             |
|---------------|-------------|
| ORDER DATE    | 11/1        |
| PICKERS       |             |
| FINAL CHECKER | DATE WORKED |
| NO TRAYS      | NO. OF      |

SOLD TO Instate Drug  
3rd & Boas Sts  
Harrisburg, PA

ALL CLAIMS FOR BREAKAGE OR SHORTAGE MUST BE REPORTED WITHIN 24 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER

SHIP VIA

DATE

11/15/70

| ✓  | QTY | REMARKS                      | KEEP ALL WRITING BETWEEN THESE TWO LINES | EXTENSION | C    |
|----|-----|------------------------------|--|-----------|------|
| 1  |     |                              |  |           |      |
| *2 | 14  | 1000 #5 Empty gel Caps clear |  | 3612      | 3612 |
| *3 | 8   | 1000 " " " " Pink            |  | 2064      | 2064 |
| *4 | 3   | 5000 " " " " Pink            |  | 3555      | 3555 |
| 5  |     |                              |  |           |      |
| 6  |     |                              |  |           |      |
| 7  |     |                              |  | 9231      |      |
| 8  |     |                              |  |           |      |
| 9  |     |                              |  |           |      |
| 10 |     |                              | Less 275-                                | 185       |      |
| 11 |     |                              |  |           |      |
| 12 |     |                              |  |           |      |
| 13 |     |                              |  |           |      |
| 14 |     |                              |  |           |      |
| 15 |     |                              | 11/15/70                                 |           |      |
| 16 |     |                              | 275 p                                    |           |      |
| 17 |     |                              |  |           |      |
| 18 |     |                              |  |           |      |
| 19 |     |                              |  |           |      |
| 20 |     |                              |  |           |      |
| 21 |     |                              |  |           |      |

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- R - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered, will ship when arriving  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT

\$ 9046

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

REGISTRATION NO.  
25 - 13914

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

ADDRESS

| CASE CHECKER | QTY NO. FULL CASES | QTY NO. REPACKS | PACKER | IN REPACKS |
|--------------|--------------------|-----------------|--------|------------|
|              |                    |                 |        |            |

## EXHIBIT No. 1—Continued

**M. DRENNER AND SONS INC.** SERVICE WHOLESALE DRUGGISTS  
 SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA  
 AREA CODE 717 • ORDER DEPARTMENT 236-3081 • TELEPHONE 233-4531

K0122297

SOLD TO

Put in 10 men office

1000 MT Cap 45

1000 MT Cap 45

|      |           |
|------|-----------|
| TERA | NO SHEETS |
| 30   | 1         |

ALL CLAIMS FOR BREAKAGE  
 OR SHORTAGE MUST BE RE-  
 PORTED WITHIN 24 HOURS  
 AFTER RECEIPT OF GOODS  
 ACCOMPANIED BY DATE AND  
 INVOICE NUMBER

ORDER  
 DATE  
 1/22/80  
 PICKERS

FINAL CHECKED DATE WORKED  
 1

NO TRAYS 24

TERMS 2% 10th PROX. NET THEREAFTER

SHIP VIA Put in 10 men office

DATE 1/24/80

|    | ✓ | QTY | DESCRIPTION    | EXTENSION | C |       |
|----|---|-----|----------------|-----------|---|-------|
| *1 | ✓ | 110 | 1 lb Med Pack  | 1480      | B | 1480  |
| *2 | ✓ | 48  | 1000 MT Cap 45 | 56880     | K | 56880 |
| 3  |   |     |                |           |   |       |
| 4  |   |     |                |           |   |       |
| 5  |   |     |                |           |   |       |
| 6  |   |     |                |           |   |       |
| 7  |   |     |                |           |   |       |
| 8  |   |     |                |           |   |       |
| 9  |   |     |                |           |   |       |
| 10 |   |     |                |           |   |       |
| 11 |   |     |                |           |   |       |
| 12 |   |     |                |           |   |       |
| 13 |   |     |                |           |   |       |
| 14 |   |     |                |           |   |       |
| 15 |   |     |                |           |   |       |
| 16 |   |     |                |           |   |       |
| 17 |   |     |                |           |   |       |
| 18 |   |     |                |           |   |       |
| 19 |   |     |                |           |   |       |
| 20 |   |     |                |           |   |       |
| 21 |   |     |                |           |   |       |

C.O.  
 Cash

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- A - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 Z - Narcotic order required

PAY  
 THIS AMOUNT \$ 58360

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

WHEN REMITTING PLEASE SHOW  
 DATE AND AMOUNT OF INVOICE

| CASE CHECKER | NO. PACKAGES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|--------------|-------------|--------|------------|
|              |              | 3           | 60     |            |

REGISTRATION NO.  
 25-13914

ADDER



## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS  
 SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105  
 AREA CODE 717 ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

*Senators Drug Store*  
*3rd & Bear Street*  
*Harrisburg, Pa*

TERMS *30* NO. SHEETS *3*

ALL CLAIMS FOR BREAKAGE OR SHORTAGE MUST BE REPORTED WITHIN 24 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER

ORDER DATE *1/6*

PICKED *54* *71* *63*  
*65* *65* *62*

FINAL INVOICE DATE WORKED *57* *1/26*

NO. TRAYS *3* *151*

TERMS 2% 10th PROX. NET THEREAFTER

SHIP VIA *O.F. Hedger*DATE *1/26/70*

| ✓  | QTY | UNIT  | DESCRIPTION                     | EXTENSION |         |
|----|-----|-------|---------------------------------|-----------|---------|
| 1  | ✓   | 1     | 100 Simuloids                   | 11.00     | B 11.00 |
| 2  | ✓   | 3 M   | 1/4 lb. Salt Family             | 3.77      | B 3.77  |
| 3  | ✓   | 3     | 1/2 lb. Peppermint Flavored     | 2.18      | A 2.18  |
| 4  | ✓   | 12    | 100g. Tablets                   | 10.80     | B 10.80 |
| 5  | ✓   | 1 R   | 1000 Butiral sad 1/2 qt         | 18.45     | E 18.45 |
| 6  | ✓   | 3 + 1 | 1000 Bull salm med              | 1.49      | A 1.49  |
| 7  | ✓   | 41    | 500 Doan's Caps 65              | 34.77     | B 34.77 |
| 8  | ✓   | 42    | 100 Penicillin 500,000          | 32.0      | B 32.0  |
| 9  |     |       | Chazest                         |           |         |
| 10 | ✓   | 42    | 100 Penicillin 400,000 Chazest  | 56.0      | B 56.0  |
| 11 | ✓   | 42    | 15gm Cortisporin acid           | 4.20      | A 4.20  |
| 12 | ✓   | 41    | 1000 Delantra sad 13g           | 23.3      | A 12.35 |
| 13 | ✓   | 46    | Chloraseptic lozi               | 3.92      | B 3.92  |
| 14 | ✓   | 3 1/2 | Doan's Pills sm 40              | 2.30      | A 2.30  |
| 15 | ✓   | 41    | 1pt. Broncho lipin              | 3.75      | A 3.75  |
| 16 | ✓   | 42    | 1000 Simulac R+11 32oz          | 6.38      | A 6.38  |
| 17 | ✓   | 42    | 1/2 gal Cus-hon quif sm 8       | 1.06      | A 1.06  |
| 18 | ✓   | 42    | 1/2 lb. 1/2 lb. 1/2 lb. 1/2 lb. | 2.64      | B 2.64  |
| 19 | ✓   | 3 87  | 1/2 lb. Vitales                 | 1.89      | A 1.89  |
| 20 | ✓   | 41    | 1/2 gal Tegan sup               | 30.0      | B 30.0  |
| 21 | ✓   | 41    | 500 Penicillin 500,000          | 0         | A 0     |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 R - Narcotic order required

PAY THIS AMOUNT *151*

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

ADDRESS

CASE CHECKER *73* NO. OF CASES *24* NO. OF PACKS *2* PACKER *52* IN PACKS

REGISTRATION NO. 25-13914

## EXHIBIT No. 1—Continued

M. DRENNER AND SONS INC. <sup>11/29/70</sup> SERVICE WHOLESALE DRUGGISTS  
 SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105  
 ARLA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

8823

+ 0

ORDER DATE 10.55

1/29/80

PICKERS

|       |            |
|-------|------------|
| TERMS | NO. SHEETS |
| 30    | 1          |

ALL CLAIMS FOR BREAKAGE  
 OR SHORTAGE MUST BE RE-  
 PORTED WITHIN 24 HOURS  
 AFTER RECEIPT OF GOODS  
 ACCOMPANIED BY DATE AND  
 INVOICE NUMBER

|             |             |
|-------------|-------------|
| FINAL ORDER | DATE WORKED |
| 68          | 1/29        |
| NO. TRAYS   |             |
| 84          |             |

SOLD TO Genate Drug Store  
3rd O Bone St  
Lebanon Pa

SHIP VIA

JT

DATE 1-29-80

TERMS. 2% 10th PROX. NET THEREAFTER

|    |   |     | KEEP A RUNNING INVENTORY OF STOCK | EXTENSION |       |
|----|---|-----|-----------------------------------|-----------|-------|
| 1  | 1 | 100 | Genate 45                         | 750       | 8 750 |
| 2  | 1 | 100 | Genate Self Cap 150               | 358       | B 358 |
| 3  |   |     |                                   |           |       |
| 4  |   |     |                                   |           |       |
| 5  |   |     |                                   | 11085     |       |
| 6  |   |     |                                   | 22-       |       |
| 7  |   |     |                                   |           |       |
| 8  |   |     |                                   |           |       |
| 9  |   |     |                                   |           |       |
| 10 |   |     |                                   |           |       |
| 11 |   |     |                                   |           |       |
| 12 |   |     |                                   |           |       |
| 13 |   |     |                                   |           |       |
| 14 |   |     |                                   |           |       |
| 15 |   |     |                                   |           |       |
| 16 |   |     |                                   |           |       |
| 17 |   |     |                                   |           |       |
| 18 |   |     |                                   |           |       |
| 19 |   |     |                                   |           |       |
| 20 |   |     |                                   |           |       |
| 21 |   |     |                                   |           |       |

G.O.D.

Cash

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- |   |                                     |
|---|-------------------------------------|
| R - Regulation or Mfr's policy restricts sale | O - Temporarily out, please reorder |
| C - Specified uncertainty                     | D - Can not supply                  |
| F - Back ordered, will ship on arrival        | N - Not available from Mfr.         |
| M - Ordered to be sent direct                 | P - Sold in full packages only      |
| E - Free goods expired                        | R - Narcotic order required         |

PAY THIS AMOUNT \$

10.86 \*

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

WHEN REMITTING PLEASE SHOW  
 DATE AND AMOUNT OF INVOICE

| CASE CHECKER | NO. FULL CASES | NO. NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-----------------|--------|------------|
|              |                |                 | 77     | X          |

REGISTRATION NO.  
 25 - 13914

ADDER

## EXHIBIT No. 1—Continued

## M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105 FEB 9-70

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

Senate Drug  
3rd & Boas Bldg  
Harrisburg

SHIP VIA

OT

DATE 2/9/70

ORDER  
DATE 1/20/69  
PICKERSALL CLAIMS FOR BREPAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER55-61  
FINAL CHECKER DATE WORKED  
57 2/9

NO TRAYS 2

NO. 37

| QUANTITY |    | KEEP ALL WRITING BETWEEN HEAVY BLACK LINES |            | EXTENSION* |       |
|----------|----|--|------------|------------|-------|
| 1        | 41 | 50g Quinine HCL                            | #1978 mark | 20.50      | 20.50 |
| 2        |    |  |            |            |       |
| 3        |    |  |            |            |       |
| 4        |    |  |            |            |       |
| 5        |    |  |            |            |       |
| 6        |    |  |            |            |       |
| 7        |    |  |            |            |       |
| 8        |    |  |            | 20.50      |       |
| 9        |    |  |            | 41         |       |
| 10       |    |  |            |            |       |
| 11       |    |  |            |            |       |
| 12       |    |  |            |            |       |
| 13       |    |  |            |            |       |
| 14       |    |  |            |            |       |
| 15       |    |  |            |            |       |
| 16       |    |  |            |            |       |
| 17       |    |  |            |            |       |
| 18       |    |  |            |            |       |
| 19       |    |  |            |            |       |
| 20       |    |  |            |            |       |
| 21       |    |  |            |            |       |

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
C - Specified uncertainty  
P - Back ordered, will ship on arrival  
E - Free goods expired  
O - Temporarily out, please reorder  
D - Can not supply  
N - Not available from Mfr.  
F - Sold in full packages only  
X - Narcotic order required

PAY  
THIS AMOUNT \$

20.09\*

☐ TURNOVER☐ ELECTRONIC☐ TELEPHONEWHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25-13914

ADDRESS

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                |             | 77     | X          |

## EXHIBIT No. 1—Continued

FEB 24 -70

4096

✓9

100112

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

HARRISBURG, PENNSYLVANIA • 17105

K0223

243

DEPARTMENT 234-3081 • TELEPHONE 233-4531

TERE NO SHEETS

ORDER DATE

PICKERS

65-

FINAL CHECKS DATE WORKED

NO TRAYS

DATE

ALL CLAIMS FOR BREAKAGE OR SHORTAGE MUST BE REPORTED WITHIN 24 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER

SHIP VIA

DATE

2/23/71

| LINE | QTY | DESCRIPTION                   | EXTENSION | TOTAL |
|------|-----|-------------------------------|-----------|-------|
| 1    | 24  | 1000 Empty gel caps clear #5- | 61.92     | 61.92 |
| 2    | 10  | 1000 " " " Pink #5-           | 25.80     | 25.80 |
| 3    | 4   | 5000 " " " " #5-              | 47.40     | 47.40 |
| 4    |     |                               |           |       |
| 5    |     |                               |           |       |
| 6    |     |                               | 135.12    |       |
| 7    |     |                               | 2.70      |       |
| 8    |     |                               | 132.42    |       |
| 9    |     |                               |           |       |
| 10   |     |                               |           |       |
| 11   |     |                               |           |       |
| 12   |     |                               |           |       |
| 13   |     |                               |           |       |
| 14   |     |                               |           |       |
| 15   |     |                               |           |       |
| 16   |     |                               |           |       |
| 17   |     |                               |           |       |
| 18   |     |                               |           |       |
| 19   |     |                               |           |       |
| 20   |     |                               |           |       |
| 21   |     |                               | 132.42    |       |

*Partial*  
*PAID*  
*2/25/70*

*PAID*  
*#2573*

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
 C - Specified unclear  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT

515.12

TURNOVER

ELECTRONIC

TELEPHONE

ADDRESS

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

REGISTRATION NO. 25-13914

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                |             |        |            |





## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALERS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105

AREA CODE 717 • ORDER DEPARTMENT 234-3061 • TELEPHONE 233-4581

SOLD TO

*Insale Gray*  
*3rd + Coast Sts*  
*Harrisburg, PA*

SHIP VIA

*will call*

TERMS NO SHEETS

ALL CLAIMS FOR BREAKAGE  
 OR SHORTAGE MUST BE RE-  
 PORTED WITHIN 24 HOURS  
 AFTER RECEIPT OF GOODS  
 ACCOMPANIED BY DATE AND  
 INVOICE NUMBER

ORDER DATE

1/1

PICKERS

72

FINAL CHECKER DATE WORKED

1/17

NO TRAYS

1/17

| KEEP ALL WRITING BETWEEN HEAVY BLACK LINES |                                  | EXTENSION |  |
|--|----------------------------------|-----------|--|
| 1  |                                  |           |  |
| 2  | 24 x 5000 Empty 2l Caps #5 clear | 28440     |  |
| 3  |                                  |           |  |
| 4  |                                  |           |  |
| 5  |                                  |           |  |
| 6  |                                  |           |  |
| 7  |                                  |           |  |
| 8  |                                  |           |  |
| 9  |                                  |           |  |
| 10   |                                  |           |  |
| 11   |                                  |           |  |
| 12   |                                  |           |  |
| 13   |                                  |           |  |
| 14   |                                  |           |  |
| 15   |                                  |           |  |
| 16   |                                  |           |  |
| 17   |                                  |           |  |
| 18   |                                  |           |  |
| 19   |                                  |           |  |
| 20   |                                  |           |  |
| 21   |                                  |           |  |

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered, will ship an arrival  
 M - Ordered to be sent direct  
 E - Free goods required  
 D - Temporarily out, please reorder  
 N - Not available from Mfr  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT

28440

WHEN REMITTING PLEASE SHOW  
 DATE AND AMOUNT OF INVOICE

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE  
 ADDER

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                | 3           | 2      |            |

REGISTRATION NO.  
 25-13914

## EXHIBIT No. 1—Continued

M. BRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105

ARE/ CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO Senate Drug Store  
3rd & Brown St  
Harrisburg Pa

TERMS 30 NO SHEETS 1

ALL CLAIMS FOR BREAKAGE  
 OR SHORTAGE MUST BE RE-  
 PORTED WITHIN 24 HOURS  
 AFTER RECEIPT OF GOODS  
 ACCOMPANIED BY DATE AND  
 INVOICE NUMBER

ORDER  
 DATE 3/16/50  
 PICKETS 60  
 FINAL CHECKER 59 DATE WORKED 3/30  
 NO TRAYS 1 28

TERMS: 2% 10th PROX. NET THEREAFTER

SHIP VIA

add OT early G M 3/17/50

DATE

| ✓  | QTY | PRICE | DESCRIPTION           | EXTENSION | C      |
|----|-----|-------|-----------------------|-----------|--------|
| 1  | 3   | 50    | Trival 2-25           | 12.13     | B 1713 |
| 2  | 1   | 50    | 4-10                  | 50.2      | B 502  |
| 3  | 1   | 100   | Quinine Sulf Caps 5gr | 35.8      | L 358  |
| 4  | 1   | 100   | Amber Sulfentalsin #2 | 6.25      | F 625  |
| 5  | 1   | 100   | Tridient 10 mg        | 60.0      | B 600  |
| 6  |     |       |                       |           |        |
| 7  |     |       |                       | 37.985    |        |
| 8  |     |       |                       | 75        |        |
| 9  |     |       |                       |           |        |
| 10 |     |       |                       |           |        |
| 11 |     |       |                       |           |        |
| 12 |     |       |                       |           |        |
| 13 |     |       |                       |           |        |
| 14 |     |       |                       |           |        |
| 15 |     |       |                       |           |        |
| 16 |     |       |                       |           |        |
| 17 |     |       |                       |           |        |
| 18 |     |       |                       |           |        |
| 19 |     |       |                       |           |        |
| 20 |     |       |                       |           |        |
| 21 |     |       |                       |           |        |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr  
 P - Sold in full packages only  
 X - Incorrect order required

PAY  
 THIS AMOUNT \$

3223\*

WHEN REMITTING PLEASE SHOW  
 DATE AND AMOUNT OF INVOICE

☐ TURN  
☐ ELECT  
☐ TELE  
☐ ADD

CASE CHECKER ☐ NO FULL CASES ☐ NO REPACKS ☐ PACKER ☐ IN REPACKS

REGISTRATION NO.  
 25 - 13914

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

VENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TEL. 803-501-2525

SOLD TO

Lurate Drug  
Box & 3rd  
Harrisburg PA

SHIP VIA

Fisher House &amp; Office

DATE

3/30/90

|                      |                    |
|----------------------|--------------------|
| ORDER DATE<br>1/1    |                    |
| PICKERS              |                    |
| FINAL CHECKER<br>P-2 | DATE WORKED<br>3/1 |
| NO. TRAYS            | TRAYS              |

ALL CLAIMS FOR BREAKAGE OR SHORTAGE MUST BE REPORTED WITHIN 74 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER

| KEEP ALL WRITING BETWEEN THE YELLOW LINES |   |    |                              |  |  |  |  |  |  | EXTENSION |   | C     |  |
|---|---|----|------------------------------|--|--|--|--|--|--|-----------|---|-------|--|
| 1   |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 2   | 1 | 14 | 5000 Empty gel caps #5 clear |  |  |  |  |  |  | 16590     | + | 16590 |  |
| 3   |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 4   |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 5   |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 6   |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 7   |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 8   |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 9   |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 10  |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 11  |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 12  |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 13  |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 14  |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 15  |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 16  |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 17  |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 18  |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 19  |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 20  |   |    |                              |  |  |  |  |  |  |           |   |       |  |
| 21  |   |    |                              |  |  |  |  |  |  |           |   |       |  |



342

SOLD TO Walter Long Fire  
and Gas Plant  
Washington Pa.

|       |           |
|-------|-----------|
| TERR. | NO SHEETS |
| 30    | 1         |

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER


|               |             |
|---------------|-------------|
| ORDER<br>DATE |             |
| 4/2/64        |             |
| PICKERS       |             |
| 32            |             |
| 65- 6.5       |             |
| 51- 6.5       |             |
| FINAL PICKER  | DATE WORKED |
| 57            | 4/3         |
| NO. TRAYS     |             |

TERMS: 2% 10th PROX. NET THEREAFTER

SHIP VIA OT only A

DATE 4/3/67

| V  |   | DATE | DESCRIPTION                             | EXTENSION | C      | AMOUNT |
|----|---|------|---|-----------|--------|--------|
| 1  | ✓ | 12   | 5g Quinine half oz                      | ✓         | 39.60  | 39.60  |
| 2  | ✓ | 1    | 41 gm. Valerian Cream                   | ✓         | 28.00  | 38.60  |
| 3  | ✓ | 1    | 100 Iplmol tabs                         | ✓         | 57.00  | 57.60  |
| 4  | ✓ | 1    | 100 Federal 25                          | ✓         | 105.00 | 105.60 |
| 5  | ✓ | 1    | <del>25 gm</del> 25 gm Pilsum 100       | ✓         | 99.10  | 99.70  |
| 6  | ✓ | 1    | Bal glass. Lys. Wanda for               | ✓         | 26.00  | 125.70 |
| 7  |   |      | 1040 Franklin D1405                     |           |        |        |
| 8  | ✓ | 1    | 295 B B Valerian Aslett Med             | ✓         | 17.70  | 143.40 |
| 9  | ✓ | 1    | Bal Ace Bdg Clip                        | ✓         | 13.00  | 156.40 |
| 10 | ✓ | 1    | Pt Chlorophyllin                        | ✓         | 7.14   | 163.54 |
| 11 | ✓ | 1    | 1000 8g B At bottles clear              | ✓         | 57.10  | 220.64 |
| 12 | ✓ | 1    | 1/2 Hair net Blonde                     | ✓         | 2.10   | 222.74 |
| 13 | ✓ | 1    | Meyenberg <del>thrust</del> Thrust Milk | ✓         | 55.00  | 277.74 |
| 14 |   |      |   |           |        |        |
| 15 |   |      |   |           | 94.465 |        |
| 16 |   |      |   |           | 1.89   |        |
| 17 |   |      |   |           |        |        |
| 18 |   |      |   |           |        |        |
| 19 |   |      |   |           |        |        |
| 20 |   |      |   |           |        |        |
| 21 |   |      |   |           |        |        |

**PAY THIS AMOUNT** 

9 2.5 7 \*

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

REGISTRATION NO.  
25 - 13914

TURNOVER

ELECTRONIC

ELECTRONIC

TELEPHONE

|       |  |
|-------|--|
| ADDER |  |
|       |  |

|   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |     |
|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|

11

1

## EXHIBIT No. 1—Continued

M. DRENNER AND SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

K0406282

SOLD TO

*Inmate Drug*  
*3rd + Boas*  
*Harrisburg PA*

TERM NO. SHEETS

ALL CLAIMS FOR BREAKAGE  
OF SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

|               |     |
|---------------|-----|
| ORDER<br>DATE | 1/6 |
| PICKERS       | 65- |
| CHECKER       | 64  |
| DATE WORKED   | 7/6 |

NO TRAYS 15

TERMS 2% 10th PROX NET THEREAFTER

SHIP VIA *Will call pickup Harrisburg office*

DATE 4/6/67

|    | ✓ | QTY | DESCRIPTION                        | EXTENSION |         |
|----|---|-----|------------------------------------|-----------|---------|
| 1  |   |     |                                    |           |         |
| 2  | ✓ | 10  | 5000 Empty gel caps #5 Pent (1118) | 1850      | A 11850 |
| 3  | ✓ | 2   | 500g Quinine 504                   | 10        | B 2     |
| 4  | ✓ | 1   | 100g " "                           | 410       | B 410   |
| 5  |   |     |                                    |           |         |
| 6  |   |     |                                    |           |         |
| 7  |   |     |                                    |           |         |
| 8  |   |     |                                    |           |         |
| 9  |   |     |                                    |           |         |
| 10 |   |     |                                    |           |         |
| 11 | ✓ |     |                                    |           |         |
| 12 |   |     |                                    |           |         |
| 13 |   |     |                                    |           |         |
| 14 |   |     |                                    |           |         |
| 15 |   |     |                                    |           |         |
| 16 |   |     |                                    |           |         |
| 17 |   |     |                                    | 122600    |         |
| 18 |   |     |                                    | 245       |         |
| 19 |   |     |                                    |           |         |
| 20 |   |     |                                    |           |         |
| 21 |   |     |                                    | 12260     |         |

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
C - Specified uncertainty  
F - Back ordered, will ship on arrival  
M - Ordered to be sent direct  
E - Free goods expired
- O - Temporarily out, please reorder  
D - Can not supply  
N - Not available from Mfr.  
S - Sold in full packages only  
X - Narcotic order required

| CASH CHECKER | MINI/FULL CASES | NO. REPACKS | PACKS | IN REPACKS |
|--------------|-----------------|-------------|-------|------------|
|              | ✓               | 1           | 79    |            |

PAY THIS AMOUNT \$

12015\*

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25-13914

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

ADDER

K

## EXHIBIT No. 1—Continued

## M. DRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • K-04-17269 • TELEPHONE 234-4961 • 7-42

SOLD TO

Senate Drug Store  
3rd & Boon St  
Harrisburg Pa

SHIP VIA

Will call at ship

TERM

30

NO. SHEETS

1ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

ORDER

DATE

4/17/70

PICKERS

FINAL CHECKER

DATE MOVED

NO. TRAYS

PICKERS

PICKERS

PICKERS

| ✓  | QTY | REMARKS         | KEEP ALL WRITING BETWEEN HEAVY BLACK LINES | EXTENSION     | C    |
|----|-----|-----------------|--|---------------|------|
| ✓1 | ✓1  | 1g Quinine 14cl |  | ✓ 424         | 424  |
| ✓2 | ✓4  | 5g " 14cl       |  | ✓ 8200        | 8200 |
| 3  |     |                 |  |               |      |
| 4  |     |                 |  |               |      |
| 5  |     |                 |  |               |      |
| 6  |     |                 |  | 8624          |      |
| 7  |     |                 |  |               |      |
| 8  |     |                 |  |               |      |
| 9  |     |                 |  | Less 27 - 172 |      |
| 10 |     |                 |  |               |      |
| 11 |     |                 |  |               |      |
| 12 |     |                 |  |               |      |
| 13 |     |                 |  |               |      |
| 14 |     |                 |  |               |      |
| 15 |     |                 |  |               |      |
| 16 |     |                 |  |               |      |
| 17 |     |                 |  |               |      |
| 18 |     |                 |  |               |      |
| 19 |     |                 |  |               |      |
| 20 |     |                 |  |               |      |
| 21 |     |                 |  |               |      |

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporality out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 Z - Nonacute order required

PAY  
THIS AMOUNT

\$ 84.52

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25-13914
☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

ADDRESS

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                | 1           | 77     |            |

## EXHIBIT No. 1—Continued

## M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND O DIVISION • HARRISBURG, PENNSYLVANIA • 17105

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

*Senste Drug*  
*3rd & Boast*  
*Harrisburg*

SHIP VIA

OT

TERE

NO SHEETS

30

1

ALL CLAIMS FOR BREAKAGE  
 OR SHORTAGE MUST BE RE-  
 PORTED WITHIN 24 HOURS  
 AFTER RECEIPT OF GOODS  
 ACCOMPANIED BY DATE AND  
 INVOICE NUMBER.

ORDER

DATE

5/11/70

K0511 412 +9

65365

57

6251

60

9/11

NO TRAYS

1

46

| ✓  | QTY | PRICE | DESCRIPTION                | EXTENSION | C | QTY |
|----|-----|-------|----------------------------|-----------|---|-----|
| 1  | ✓2  | 1.11  | med Ponds Cold cream       | 1.42      | A | 142 |
| 2  | ✓2  | 65    | <del>10ml</del>            | 92        | A | 92  |
| 3  | ✓1  |       | 100 Quinine sulfate cap    | 3.58      | A | 358 |
| 4  | ✓1  |       | 200 Unase tab 1.74         | 1.50      | B | 150 |
| 5  | ✓2  |       | Mini Mist aerosol          | 2.34      | A | 234 |
| 6  | ✓3  | 165   | Bronchoids 30              | 3.30      | B | 330 |
| 7  | ✓3  | 135   | Allevat tab 1ml            | 2.73      | A | 273 |
| 8  | ✓6  | 39    | Rayer child aspirin        | 1.54      | A | 154 |
| 9  | ✓1  |       | Lib Jones sm 15            | 1.08      | D | 108 |
| 10 | ✓3  |       | <del>10ml</del> Maalox liq | 3.54      | B | 354 |
| 11 | ✓3  |       | — #1 Tab 100s              | 3.54      | B | 354 |
| 12 |     |       |                            |           |   |     |
| 13 |     |       |                            |           |   |     |
| 14 |     |       |                            |           |   |     |
| 15 |     |       |                            |           |   |     |
| 16 |     |       |                            | 39.490    |   |     |
| 17 |     |       |                            | 78        |   |     |
| 18 |     |       |                            |           |   |     |
| 19 |     |       |                            |           |   |     |
| 20 |     |       |                            |           |   |     |
| 21 |     |       |                            |           |   |     |

C.O.D.

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale

C - Specified uncertainty

P - Back ordered, will ship on arrival

M - Ordered to be sent direct

E - Free goods ordered

Q - Temporarily out, please reorder

D - Can not supply

N - Not available from Mfr

P - Sold in full packages only

X - Nonstock order requested

PAY THIS AMOUNT

3871\*

TURNOVER

ELECTRONIC

TELEPHONE

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

REGISTRATION NO. 25-13914

ADDRESS

K

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                |             | 179    |            |



## EXHIBIT No. 1—Continued

## M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105  
 AREA CODE 717 • ORDER DEPARTMENT 234-3881 • TELEPHONE 233-4531 3-70

SOLD TO Levitt Drug Store  
3rd & Pine St  
Harrisburg Pa

SHIP VIA

AIR MAIL

TERMS NO. SHEETS  
 1 1

ALL CLAIMS FOR BREAKAGE  
 OR SHORTAGE MUST BE RE-  
 PORTED WITHIN 24 HOURS  
 AFTER RECEIPT OF GOODS  
 ACCOMPANIED BY DATE AND  
 INVOICE NUMBER

ORDER  
 DATE 11/2/70  
 PICKERS  
65322.26

FINAL CHECKER 5763 DATE WORKED  
 NO. TRAYS 1 MEASURING 180

| QTY | UNIT | PRICE | DESCRIPTION                    | EXTENSION |   |
|-----|------|-------|--------------------------------|-----------|---|
| 1   | 20   | 4     | 1000 #5 Mt Cap Clear           | 237.00    | 6 |
| 2   |      |       |                                |           |   |
| 3   |      |       |                                |           |   |
| 4   |      |       |                                |           |   |
| 5   |      |       | Please Put in Cases office 2/1 | 474       |   |
| 6   |      |       |                                |           |   |
| 7   |      |       |                                |           |   |
| 8   |      |       |                                |           |   |
| 9   |      |       |                                |           |   |
| 10  |      |       |                                |           |   |
| 11  |      |       |                                |           |   |
| 12  |      |       |                                |           |   |
| 13  |      |       |                                |           |   |
| 14  |      |       |                                |           |   |
| 15  |      |       |                                |           |   |
| 16  |      |       |                                |           |   |
| 17  |      |       |                                |           |   |
| 18  |      |       |                                |           |   |
| 19  |      |       |                                |           |   |
| 20  |      |       |                                |           |   |
| 21  |      |       |                                |           |   |

C.O.D.

Cash

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- R - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY  
 THIS AMOUNT \$ 23226

WHEN REMITTING PLEASE SHOW  
 DATE AND AMOUNT OF INVOICE

REGISTRATION NO.  
 25-13714

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE  
 ADDER

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                | 2           | 78     |            |



## EXHIBIT No. 1—Continued

N. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

K0616 334

JUN 16-70

ORDER  
DATE 6/16/70

PICKERS

500

FINAL CHECKER DATE WORKED

596/16

NO. TRAYS 1

171

TERMS 30 NO SHEETS 1

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

SOLD TO

Senate Drug  
3rd + Base St.  
Harrisburg, PA.

SHIP VIA Will call.

DATE 1/1

| ✓ QUANT |   | KEEP ALL WRITING BETWEEN THESE LINES |       | EXTENSION |    |
|---------|---|--------------------------------------|-------|-----------|----|
| 1       |   |                                      |       |           |    |
| 2       | 4 | 5g Quinine Hydrochloride             | 82.00 | 82        | 00 |
| 3       |   | merc.                                |       |           |    |
| 4       |   |                                      |       |           |    |
| 5       |   | Less 2%                              | 1.64  |           |    |
| 6       |   |                                      |       |           |    |
| 7       |   |                                      |       |           |    |
| 8       |   |                                      |       |           |    |
| 9       |   |                                      |       |           |    |
| 10      |   |                                      |       |           |    |
| 11      |   |                                      |       |           |    |
| 12      |   |                                      |       |           |    |
| 13      |   |                                      |       |           |    |
| 14      |   |                                      |       |           |    |
| 15      |   |                                      |       |           |    |
| 16      |   |                                      |       |           |    |
| 17      |   |                                      |       |           |    |
| 18      |   |                                      |       |           |    |
| 19      |   |                                      |       |           |    |
| 20      |   |                                      |       |           |    |
| 21      |   |                                      |       |           |    |

C.O.D.

Will pay

Net

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- R - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT \$ 80.36

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25 - 13914

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

ADDRESS

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                | 1           | 300    |            |

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALERS DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

2307 1 1

ORDER DATE 1/1/11

SOLD TO

Senate Drug

1000 N 3rd

Harrisburg Pa

TERMS 30 NO SHEETS 1

ALL CLAIMS FOR BREAKAGE OR SHORTAGE MUST BE REPORTED WITHIN 34 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER

PICKERS

628

FINAL CHECKER 57 DAY WORKED 624

NO TRAYS 1

181

SHIP VIA

OT

DATE

6/1/11

| QTY | QUANTITY | DESCRIPTION            | EXTENSION | C    |
|-----|----------|------------------------|-----------|------|
| 1   | 1        | Case 1lb Lactose Merck | 1776      | 1776 |
| 2   |          |                        |           |      |
| 3   |          |                        |           |      |
| 4   |          |                        |           |      |
| 5   |          |                        |           |      |
| 6   |          |                        |           |      |
| 7   |          |                        |           |      |
| 8   |          |                        |           |      |
| 9   |          |                        | 1776      |      |
| 10  |          |                        | 35        |      |
| 11  |          |                        |           |      |
| 12  |          |                        |           |      |
| 13  |          |                        |           |      |
| 14  |          |                        |           |      |
| 15  |          |                        |           |      |
| 16  |          |                        |           |      |
| 17  |          |                        |           |      |
| 18  |          |                        |           |      |
| 19  |          |                        |           |      |
| 20  |          |                        |           |      |
| 21  |          |                        |           |      |

G.U.D.

Cash

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
C - Specified uncertainty  
F - Back ordered - will ship on arrival  
M - Ordered to be sent direct  
R - Free goods as per
- D - Temporarily out, please reorder  
N - Not available from Mfr  
P - Sold in full packages only  
X - Narcotic order required

PAY THIS AMOUNT

194

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

☐ TURNOVER☐ ELECTRONIC☐ TELEPHONE☒ ADDER

| CASE CHECKER | NO. FULL CASES | NO. IN REPACKS | PACER | IN REPACKS |
|--------------|----------------|----------------|-------|------------|
| 51-994       | 1161           | 78             |       |            |

REGISTRATION NO.  
25-13914

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

K0626 240

ORDER  
DATE  
6/26/70

PICKERS

65-

TERMS NO. SHEETS  
30 1ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBERFINAL CHECKS DAYS WORKED  
57 6-28

NO TRAYS 1 182

SOLD TO

Senate Drug  
N 3rd St  
Harrisburg Pa

SHIP VIA Will Call

DATE 6/1/71

| ✓  | QTY       | DESCRIPTION               | EXTENSION | %       |
|----|-----------|---------------------------|-----------|---------|
| 1  | ✓ 6       | NR Jr largest size Tin    | 5.16      | A 516   |
| 2  | ✓ 3       | NR reg " " "              | 2.58      | A 258   |
| 3  | ✓ 24      | Orange Turns single rolls | 2.40      | A 240   |
| 4  | ✓ 24      | Cherry " " "              | 2.40      | A 240   |
| 5  | ✓ 36      | Wintergreen " " "         | 3.60      | A 360   |
| 6  | ✓ 8 tubes | n's Turns reg. 3/33       | 22.40     | A 2240  |
| 7  | ✓ 96x1000 | #5 Empty Caps pink/clear  | 20382     | A 20382 |
| 8  | 79x1000   |                           |           |         |
| 9  |           |                           |           |         |
| 10 |           |                           |           |         |
| 11 |           |                           |           |         |
| 12 |           |                           |           |         |
| 13 |           |                           |           |         |
| 14 |           |                           |           |         |
| 15 |           |                           |           |         |
| 16 |           |                           |           |         |
| 17 |           |                           |           |         |
| 18 |           |                           |           |         |
| 19 |           |                           |           |         |
| 20 |           |                           |           |         |
| 21 |           |                           |           |         |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT \$

24236\*

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

| CASE CHECKER | NON-FULL CASES | NON-FULL PACKS | PACKER | IN REPACKS |
|--------------|----------------|----------------|--------|------------|
|              |                |                | 79     |            |

REGISTRATION NO.  
25-13914

ADDER



REGISTRATION NO.  
25-13914

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • K-0-708 38270

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

TO

Senate Drug  
1000 N 3rd  
Harrisburg Pa

TERMS

NO SHEETS

30

1

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

ORDER DATE

1/1

68

2

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SHIP VIA

Will call from

DATE

7/8/70

FINAL CHECKER

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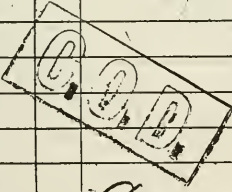
2

KEEP ALL WRITING BETWEEN HEAVY BLACK LINES

EXTENSION

2460

| QUAN | REMARKS                 | EXTENSION |
|------|-------------------------|-----------|
| 1    | 5g Quinine HCL 50g 1978 | 2460      |
| 2    |                         |           |
| 3    |                         |           |
| 4    |                         |           |
| 5    |                         |           |
| 6    |                         |           |
| 7    | 27.-                    | 49        |
| 8    |                         |           |
| 9    |                         |           |
| 10   | PAID                    |           |
| 11   | M. BRENNER & SONS INC.  |           |
| 12   | DATE.....               |           |
| 13   | BY.....                 |           |
| 14   |                         |           |
| 15   |                         |           |
| 16   |                         |           |
| 17   |                         |           |
| 18   |                         |           |
| 19   |                         |           |
| 20   |                         |           |
| 21   |                         |           |



Cash

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- R - Regulation or Mfr's policy restricts sale  
 C - Specialized uncertainty  
 F - Both ordered, will ship on arrival  
 M - Ordered to be sent direct  
 T - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT \$ 24.11

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

REGISTRATION NO. 25-13914

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

 ADDER  
 177

| DATE CHECKER | SHIP NO. FULL CASES | SHIP NO. REPACKS | PACKER | IN REPACKS |
|--------------|---------------------|------------------|--------|------------|
|              |                     |                  | 177    |            |

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-45319-70  
R0709 188

7066 +9

ORDER  
DATE 7/19/70

PICKERS

65-

TIME CHECKED DATE MARKED

7/2 7/4

NO TRATS

SOLD TO

Senate Drug  
3rd & Boas Sts  
Harrisburg, PA

TERE NO SHEETS

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

SHP VIA Will Call

DATE 7/9/70

| QTY | EXTENSION | DESCRIPTION             | EXTENSION |
|-----|-----------|-------------------------|-----------|
| 1   | 1000      |                         |           |
| 2   | 1000      | Empty Gel Caps #5 White | 7740      |
| 3   | 5000      | " " " " Pink            | 14220     |
| 4   |           |                         |           |
| 5   |           |                         |           |
| 6   |           |                         |           |
| 7   |           |                         |           |
| 8   |           |                         |           |
| 9   |           |                         |           |
| 10  |           |                         |           |
| 11  |           |                         |           |
| 12  |           |                         |           |
| 13  |           |                         |           |
| 14  |           |                         |           |
| 15  |           |                         |           |
| 16  |           |                         |           |
| 17  |           |                         |           |
| 18  |           |                         |           |
| 19  |           |                         |           |
| 20  |           |                         |           |
| 21  |           |                         |           |

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 Z - Noncotic order required

PAY THIS AMOUNT \$219.60

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                |             | 72     | 1          |

REGISTRATION NO.  
25-13914
☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE  
☐ ADDER

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

9479 +9

ORDER  
DATE 5/6 17.85  
PICKERS

TERM. 30 NO SHEETS 1

ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBERFINAL CHECKER 57 DATE WORKED 7/13  
NO TRAYS TRAYS

SOLD TO

Levate Drug Store  
Ind. & Co. St.  
Harrisburg, Pa.

SHIP VIA 6.73 Call at station

DATE 7/13/70

|    |   | KEEP ALL WRITING BETWEEN HEAVY BLACK LINES |            | EXTENSION |      |
|----|---|--|------------|-----------|------|
| 1  | 1 | 1000 + 3                                   | AT C.P.    | 273       | 273  |
| 2  | 6 | 1000 + 5                                   | WT " clear | 1548      | 1548 |
| 3  |   |  |            |           |      |
| 4  |   |  |            |           |      |
| 5  |   |  |            |           |      |
| 6  |   |  |            |           |      |
| 7  |   |  |            |           |      |
| 8  |   |  |            |           |      |
| 9  |   |  |            |           |      |
| 10 |   |  |            | 18215     |      |
| 11 |   |  |            | 36        |      |
| 12 |   |  |            |           |      |
| 13 |   |  |            |           |      |
| 14 |   |  |            |           |      |
| 15 |   |  |            |           |      |
| 16 |   |  |            |           |      |
| 17 |   |  |            |           |      |
| 18 |   |  |            |           |      |
| 19 |   |  |            |           |      |
| 20 |   |  |            |           |      |
| 21 |   |  |            |           |      |

G.O.P.

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- A - Regulation or Mfr's policy restricts sale  
C - Specified unclearly  
F - Back ordered, will ship on arrival  
M - Ordered to be sent direct  
E - Free goods expired
- O - Temporarily out, please reorder  
D - Can not supply  
N - Not available from Mfr.  
P - Sold in full packages only  
X - Narcotic order required

PAY  
THIS AMOUNT \$

17.85

☐ TURNOVER☐ ELECTRONIC☐ TELEPHONEWHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

ADDER

| CASE CHECKER | NO. NO. FULL CASES | NO. NO. REPACKS | PACKER | IN REPACKS |
|--------------|--------------------|-----------------|--------|------------|
|              |                    |                 | 177    |            |

REGISTRATION NO.  
25 - 13914

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

JUL 23-70 • 5705 +9

ORDER DATE 4.61

7/23/70

PICKERS

65-

62

FINAL CHECKER DATE WORKED

57 7/23

NO. TRATS 1108

SOLD TO

Senate Drug  
3rd & Poplar St.  
Harrisburg, Pa.

SHIP VIA R.T. early

DATE 7/23/70

| ✓  | QTY   | EXTENSION                     | KEEP ALL WRITING BETWEEN NEW ORDER LINES | EXTENSION |        |
|----|-------|-------------------------------|--|-----------|--------|
| 1  | ✓ 1   | 100                           | Diuril tab 0.5 gm                        | 6.07      | B 6.07 |
| 2  | ✓ 1   | 50                            | Celabral spans                           | 5.55      | B 5.55 |
| 3  | ✓ 1   | 100                           | Scorial tab                              | 1.10      | B 1.10 |
| 4  | ✓ 2   | 100                           | in Cythron gran for oral suppers 6361    | 6.06      | B 6.06 |
| 5  |       |                               |  |           |        |
| 6  | ✓ 100 | disp. syringes 8480N 26g 1/2" |  | 9.95      | B 9.95 |
| 7  | ✓ 1   | 100                           | Lisine sulfate caps 5 gr.                | 35.8      | B 35.8 |
| 8  | ✓ 1   | 100                           | Domitol tab                              | 6.95      | B 6.95 |
| 9  | ✓ 1   | 100                           | Diazide tab                              | 6.25      | B 6.25 |
| 10 |       |                               |  |           |        |
| 11 |       |                               |  | 4.55      | 1.5    |
| 12 | ✓ 1   |                               |  | 9.0       | 1      |
| 13 |       |                               |  |           |        |
| 14 |       |                               |  |           |        |
| 15 |       |                               |  |           |        |
| 16 |       |                               |  |           |        |
| 17 |       |                               |  |           |        |
| 18 |       |                               |  |           |        |
| 19 |       |                               |  |           |        |
| 20 |       |                               |  |           |        |
| 21 |       |                               |  |           |        |

C.O.D.

Cash

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered, will ship on arrival  
 H - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT

4 4.6 1

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE  
☐ ADD

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

CASE CHECKER NO. FULL CARS NO. NO. REPAIRS PACKER IN REPAIR

ADD



## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

JUL 24-70

8587

#9

ORDER DATE 1-18-07

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

K0724 225

TELE. NO. SHEETS  
30/1

SOLD TO

Slate Drug  
3rd & Boas Sts  
Harrisburg, PAALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

PICKERS

65

FINAL CHECKER DATE WORKED

NO. TRAYS

SHIP VIA

DATE 7/24/70

| KEEP ALL WRITING BETWEEN HEAVY BLACK LINES |      |       |                         | EXTENSION |        | C  |
|--|------|-------|-------------------------|-----------|--------|----|
| QTY  | UNIT | PRICE | DESCRIPTION             |           |        |    |
| 1  | 2x   | 5000  | Empty gel caps #5 Pearl | 142.20    | 142.20 | 20 |
| 2  | 24 x | 5000  | " " " #5 white          | 284.40    | 284.40 | 40 |
| 3  |      |       |                         |           |        |    |
| 4  |      |       |                         |           |        |    |
| 5  |      |       |                         |           | 426.60 |    |
| 6  |      |       |                         |           |        |    |
| 7  |      |       |                         |           |        |    |
| 8  |      |       |                         |           |        |    |
| 9  |      |       |                         |           |        |    |
| 10   |      |       |                         |           |        |    |
| 11   |      |       |                         |           | 8.53   |    |
| 12   |      |       |                         |           |        |    |
| 13   |      |       |                         |           |        |    |
| 14   |      |       |                         |           |        |    |
| 15   |      |       |                         |           |        |    |
| 16   |      |       |                         |           |        |    |
| 17   |      |       |                         |           |        |    |
| 18   |      |       |                         |           |        |    |
| 19   |      |       |                         |           |        |    |
| 20   |      |       |                         |           |        |    |
| 21   |      |       |                         |           |        |    |

C.O.D.

Cash

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- R - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narrative order required

PAY THIS AMOUNT \$ 418.07

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

ADDRESS

N

| CASE CHECKER | NO. FULL CASES | NO. NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-----------------|--------|------------|
|              |                |                 |        |            |

REGISTRATION NO.  
25-13914

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA

AREA CODE 717 • ORDER DEPARTMENT 236-3081 • TELEPHONE 233-4531

JUL 27 1963

931 +9

CAGE DATE 27.21

TERMS 30 NO SHEETS 1

ALL CLAIMS FOR BREAKAGE OR SHORTAGE MUST BE REPORTED WITHIN 24 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER

PICKERS 57

FINAL CHECK DATE WORKED 57 7/27

NO. TRAYS 1 71

SOLD TO Levinson Drug Store  
3rd - Bensalem  
CitySHIP VIA OT

DATE 7/29/63

| ✓  | QTY | DATE | KEEP ALL WRITING BETWEEN HEAVY BLACK LINES | EXTENSION | 9        |
|----|-----|------|--|-----------|----------|
| 1  | 2   |      | 1000's Quinacrine cap                      | 1000      | 13 10 00 |
| 2  | 1   |      | pk Camphorated oil                         | 0         |          |
| 3  | 1   |      | can Lactose 1st Mynak                      | 1776      | 13       |
| 4  | 6   |      | Balade Barb <sup>2</sup> Malogno           | 0         |          |
| 5  |     |      |  |           |          |
| 6  |     |      |  |           |          |
| 7  |     |      |  |           |          |
| 8  |     |      |  |           |          |
| 9  |     |      |  | 2776      |          |
| 10 |     |      |  | 55        |          |
| 11 |     |      |  |           |          |
| 12 |     |      |  |           |          |
| 13 |     |      |  |           |          |
| 14 |     |      |  |           |          |
| 15 |     |      |  |           |          |
| 16 |     |      |  |           |          |
| 17 |     |      |  |           |          |
| 18 |     |      |  |           |          |
| 19 |     |      |  |           |          |
| 20 |     |      |  |           |          |
| 21 |     |      |  |           |          |

C.O.D.

Cash

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods unpaid  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr  
 P - Sold in full packages only  
 X - Nonstock order required

PAY THIS AMOUNT \$ 2721

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE  
☒ ADDER

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
| 73           | 14             | 1           | 300    |            |

REGISTRATION NO. 25-13914

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

*Leeds Drug Store*  
*1100 E. 1st St*  
*Harrisburg Pa.*

SHIP VIA

*OT early a.m.*

TERM

NO. SHEETS

ALL CLAIMS FOR BREAKAGE  
 OR SHORTAGE MUST BE RE-  
 PORTED WITHIN 24 HOURS  
 AFTER RECEIPT OF GOODS  
 ACCOMPANIED BY DATE AND  
 INVOICE NUMBER

ORDER

DATE

PICKERS

DATE WORKED

NO TRAYS

TV

57

8/4

1

78

| KEEP ALL WRITING BETWEEN HEAVY BACK LINES |       |                                | EXTENSION |        |
|---|-------|--------------------------------|-----------|--------|
| 1   | 1     | 100 Mandelamine 0.5 gm         | 35.0      | B 350  |
| 2   | 2     | 100 " 1.0 gm                   | 112.0     | B 1120 |
| 3   | 1     | 100 " 1.0 gm                   | 50.0      | B 500  |
| 4   | 1     | 100 " 0.5 gm                   | 60.7      | B 607  |
| 5   | 6 47  | Palonos Peds Ind               | 19.0      | A 190  |
| 6   | 1     | 1/2 g Alcazone 1 p C 0.1 g 4/1 | 17.2      | B 172  |
| 7   | 1     | 100 Hydroxone 1.0 1.0 gm       | 72.6      | B 726  |
| 8   | 2     | 100 Hydroxone 1.0              | 99.2      | B 992  |
| 9   | 2     | 100 " 1.0                      | 20.0      | C 200  |
| 10  | 3 33  | Black & White Soap             | 7.5       | A 75   |
| 11  | 3     | 100 " 1.0 8-71                 | 56.4      | B 564  |
| 12  | 3 119 | 71 Palonos                     | 25.6      | A 256  |
| 13  | 1     | 100 " 1.0                      | 62.5      | E 625  |
| 14  | 3     | 100 " 1.0                      | 79.2      | A 792  |
| 15  | 1     | 100 " 1.0                      | 64.1      | A 641  |
| 16  | 1     | 100 " 1.0                      | 34.4      | A 344  |
| 17  | 1     | 100 " 1.0                      | 815.4     | S      |
| 18  | 6 79  | 100 " 1.0                      | 163.0     |        |
| 19  |       |                                |           |        |
| 20  |       |                                |           |        |
| 21  |       |                                |           |        |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered; will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods as per

O - Temporarily out; please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT \$

799.1\*

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

REGISTRATION NO. 25-13914

ADDRESS

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                | 1           | 306    |            |

C.O.D.

Cash

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SEP. CE WHOLESALE DRUGGISTS 6-70 122 457

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105

AREA CODE 717 • ORDER DEPARTMENT 234-1551 • TELEPHONE 233-4531

SOLD TO

Lancaster Drug Store

3rd &amp; Boon St

Lancaster, Pa.

TERM NO. SHEETS

2/ 1

ALL CLAIMS FOR BREAKEGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

DATE 8/5/70

ORDER  
DATE

8/5-70220

PICKERS

FINAL CHECKER DATE WORKED

578/5

NO. TRAYS

1 74

SHIP VIA

will call shortly

| ✓  | QTY | STOCK | KEEP ALL WRITINGS TOGETHER - NO DEAD LINES | EXTENSION | C      |
|----|-----|-------|--|-----------|--------|
| 1  | ✓   | 3     | 10g Quinine Sulf                           | 1230      | 1230   |
| 2  | ✓   | 3     | 5g   | 59.40     | 59.40  |
| 3  | ✓   | 6     | 1g Quinine 1000 Merch                      | 24.60     | 24.60  |
| 4  | ✓   | 16    | 5000 Empty gel Caps #5                     | 189.60    | 189.60 |
| 5  |     |       |  |           |        |
| 6  |     |       |  |           |        |
| 7  |     |       |  | 285.90    |        |
| 8  |     |       |  |           |        |
| 9  |     |       | Less 2%                                    | 572       |        |
| 10 |     |       |  |           |        |
| 11 |     |       |  |           |        |
| 12 |     |       |  |           |        |
| 13 |     |       |  |           |        |
| 14 |     |       |  |           |        |
| 15 |     |       |  |           |        |
| 16 |     |       |  |           |        |
| 17 |     |       |  |           |        |
| 18 |     |       |  |           |        |
| 19 |     |       |  |           |        |
| 20 |     |       |  |           |        |
| 21 |     |       |  |           |        |

C.O.D.

Cash

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- B - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods insured  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 S - Hierarchic order required

PAY  
THIS AMOUNT

280.18

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

- ☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

ADDRESS

| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | BY REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                |             |        |            |

REGISTRATION NO.  
25-13914

## EXHIBIT No. 1—Continued

M. BRENNER & SONS INC. SERVICE WHOLESALE **K08450 451**

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4831-70

SOLD TO

*Single day Home*  
*2100 C. St*  
*Harrisburg*

SHIP VIA

*Will call daily*

TERMS

30

NO. SHEETS

1

ALL CLAIMS FOR BREAKAGE  
 OF SHORTAGE MUST BE RE-  
 PORTED WITHIN 24 HOURS  
 AFTER RECEIPT OF GOODS  
 ACCOMPANIED BY DATE AND  
 INVOICE NUMBER

ORDER  
DATE

8/10/70

PAGES 65

FINAL CHECKS DATE WORKED

NO. TRATS INVOICE

| ✓  | QUAN | REMARKS               | EXTENSION | C |
|----|------|-----------------------|-----------|---|
| 1  | 12   | 5g Genuine 1000 March | 73760     |   |
| 2  |      |                       |           |   |
| 3  |      | <i>Less 20%</i>       | 475       |   |
| 4  |      |                       |           |   |
| 5  |      |                       |           |   |
| 6  |      |                       |           |   |
| 7  |      |                       |           |   |
| 8  |      |                       |           |   |
| 9  |      |                       |           |   |
| 10 |      |                       |           |   |
| 11 |      |                       |           |   |
| 12 |      |                       |           |   |
| 13 |      | <i>Cod</i>            |           |   |
| 14 |      | <i>Cash</i>           |           |   |
| 15 |      |                       |           |   |
| 16 |      |                       |           |   |
| 17 |      |                       |           |   |
| 18 |      |                       |           |   |
| 19 |      |                       |           |   |
| 20 |      |                       |           |   |
| 21 |      |                       | 232.85    |   |

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
 C - Specified unclearly  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 O - Temporarily out, please reorder  
 Q - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY  
THIS AMOUNT **232.85**

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICE

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE  
 ADDER

| CASE CHECKER | UNJAN. SPILL CASES % | NO. NO. REPACKS % | PACKER | IN REPACKS |
|--------------|----------------------|-------------------|--------|------------|
|              |                      |                   |        |            |

REGISTRATION NO.  
25-13814



## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA • 17105

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

K0811 272

TERE NO SHEETS

SOLD TO

*Senate Drug Store*ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBER

ORDER

DATE

PICKERS

300

NO TRAYS

STORAGE

DATE ORDERED

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THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

- A - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods ordered  
 Q - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold on full packages only  
 Z - Mercantile order required

PAY

THIS AMOUNT

36 0.00

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25-13914

TURNOVER

ELECTRONIC

TELEPHONE

ADDER

CASE CHECKED

NO. FULL CASES

NO. REPACKS

PACKER

IN REPACKS

## EXHIBIT No. 1—Continued

## M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17101  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

Serrito Drug Store  
3rd & Bear St  
Harrisburg Pa

SHIP VIA

OT early a.m.

DATE

8/11/70

|              |         |
|--------------|---------|
| ORDER DATE   | 8/11/70 |
| PICKERS      | 205     |
| FINAL CHECKS | 754     |
| BILL WORKED  | 57      |
| NO. TRAYS    | 167     |

ALL CLAIMS FOR BREAKAGE OR SHORTAGE MUST BE REPORTED WITHIN 24 HOURS AFTER RECEIPT OF GOODS ACCOMPANIED BY DATE AND INVOICE NUMBER

| 1  | 2 | 3 | 4  | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
|----|---|---|----|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|
|    |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 1  | ✓ | 3 |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 2  | ✓ | 1 |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 3  | ✓ | 2 |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 4  | ✓ | 2 | 98 |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 5  | ✓ | 2 | 68 |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 6  | ✓ | 1 |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 7  | ✓ | 1 |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 8  |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 9  |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 10 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 11 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 12 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 13 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 14 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 15 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 16 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 17 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 18 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 19 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 20 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |
| 21 |   |   |    |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |

C.O.D.

Cash

## THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
 C - Specified quantity  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods expired  
 D - Can not supply  
 O - Temporarily out, please reorder  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Nonreturnable order required

PAY THIS AMOUNT

3793\*

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

ADDRESS

REGISTRATION NO. 25-13914

|              |                |             |        |           |
|--------------|----------------|-------------|--------|-----------|
| CASE CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACK |
| A3           | 4              | 11203       |        |           |

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA 17105

AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

SOLD TO

Senate Drug Store  
3rd & Boon Street  
Harrisburg, Pa.

SHIP VIA

OT ready O m

DATE

8/13/70

TERMS  
30 1ALL CLAIMS FOR BREAKAGE  
OR SHORTAGE MUST BE RE-  
PORTED WITHIN 24 HOURS  
AFTER RECEIPT OF GOODS  
ACCOMPANIED BY DATE AND  
INVOICE NUMBERORDER  
DATE

8/13/70

PICKERS

32 57

5762

55 77

INVOICE

8/13

NO. TRAYS

1

BTRAYING

127

|    | QUAN | REMARKS | TYPE / ALL WRITING BETWEEN HEAVY BLACK LINES | EXTENSION | *C     |
|----|------|---------|--|-----------|--------|
| 1  | ✓ 1  |         | 60cc Cordian lot 0.05%<br>12/74              | 57.0      | ✓ 570  |
| 2  | ✓ 1  |         | 100 Indocin Cap 25mg<br>12/74                | 7.99      | ✓ 799  |
| 3  | ✓ 1  |         | 41gm Valiane Cu 0.190                        | 38.0      | ✓ 380  |
| 4  | ✓ 3  |         | 100 Alephene Pill.                           | 15.3      | ✓ 153  |
| 5  | ✓ 6  | 79      | Merine drug. glass bowl                      | 33.0      | ✓ 330  |
| 6  | ✓ 1  |         | P. close lb<br>Merck                         | 17.76     | ✓ 1776 |
| 7  | ✓ 3  | 4       | Desonex soap                                 | 9.9       | ✓ 99   |
| 8  | ✓ 1  |         | 100 Hydros Dental 10mg<br>12/74              | 57.7      | ✓ 577  |
| 9  | ✓ 1  |         | 100 " " 25mg<br>3/75                         | 36.5      | ✓ 365  |
| 10 | ✓ 2  |         | 100 Abromyd S                                | 130.0     | ✓ 1300 |
| 11 | ✓ 2  | 160     | Muthen Friend                                | 2.14      | ✓ 214  |
| 12 | ✓ 1  |         | 100 B. B. B. B.                              | 43.5      | ✓ 435  |
| 13 | ✓ 1  |         | Pap. B. B. B. B.                             | 54.8      | ✓ 548  |
| 14 | ✓ 1  |         | 71cc Protigmin apth bol<br>3/72              | 15.0      | ✓ 150  |
| 15 | ✓ 2  | 250     | Prever G.M. & L. Lge 13                      | 34.8      | ✓ 348  |
| 16 | ✓ 1  |         | 100 Celestine tab 0.6 mg                     | 154.0     | ✓ 1540 |
| 17 | ✓ 1  |         | 50 Metronine S A tabs                        | 32.9      | ✓ 329  |
| 18 |      |         |  | 99.13     |        |
| 19 |      |         |  | 1.98      |        |
| 20 |      |         |  |           |        |
| 21 |      |         |  |           |        |

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

B - Regulation or Mfr's policy restricts sale  
C - Specified uncertainty  
F - Back ordered, will ship on arrival  
M - Ordered to be sent direct  
E - Free goods expired

O - Temporarily out, please reorder  
D - Can not supply  
N - Item available from Mfr.  
P - Sold in full packages only  
S - Item not order required

PAY  
THIS AMOUNT \$

97.15

TURNOVER

ELECTRONIC

TELEPHONE

WHEN REMITTING PLEASE SHOW  
DATE AND AMOUNT OF INVOICEREGISTRATION NO.  
25-13914

ADDER

J

| CASE CHECKER | NO. FULL CASES | NO. REPAYS | PACER | IN REPAYS |
|--------------|----------------|------------|-------|-----------|
| 52           | 17             | 11203      |       |           |

## EXHIBIT No. 1—Continued

M. BRENNER &amp; SONS INC. SERVICE WHOLESALE DRUGGISTS

SEVENTH AND DIVISION • HARRISBURG, PENNSYLVANIA  
AREA CODE 717 • ORDER DEPARTMENT 234-3081 • TELEPHONE 233-4531

8038

ORDER DATE 6/20/56

PICKERS

54-51  
65-57 55

FINAL CHECK DATE WORK

57 8/21

NO. TRAYS 1

WEIGHING 56

SOLD TO

Senate Drug House  
3rd & Penn St  
Harrisburg Pa

SHIP VIA

R.R. Co.

DATE

6/4/70

| ✓ QUANTITY |     | RETAIL | KEEP ALL WRITING BETWEEN HEAVY BLACK LINES | EXTENSION |         |
|------------|-----|--------|--|-----------|---------|
| 1          | ✓ 1 |        | 100 Endazine tabs                          | 375       | 13 375  |
| 2          | ✓ 1 |        | 100 Neoblydine tabs                        | 450       | 13 450  |
| 3          | ✓ 3 | 72     | 200 Parol                                  | 444       | 13 144  |
| 4          | ✓ 1 | 119    | Hellette Bromy 1/2                         | 489       | 13 489  |
| 5          | ✓ 3 | 129    | Neozine lge 110                            | 268       | 13 268  |
| 6          | ✓ 1 | case   | Lechee lb                                  | 1776      | 13 1776 |
| 7          | ✓ 2 | case   | Lechee ready to use 6/10/56                | 638       | 13 638  |
| 8          | ✓ 1 | case   | Lechee ready to use 6/10/56                | 319       | 13 319  |
| 9          | ✓ 3 |        | Vit tabs reg                               | 236       | 13 236  |
| 10         | ✓ 3 |        | Vit tabs blue                              | 236       | 13 236  |
| 11         | ✓ 3 | 139    | Allermet f.b.s. - box 240                  | 284       | 13 284  |
| 12         | ✓ 1 |        | 100 Hydriomer 50 12/74                     | 577       | 13 577  |
| 13         |     |        |  |           |         |
| 14         |     |        |  | 21078     |         |
| 15         |     |        |  | 422       |         |
| 16         |     |        |  |           |         |
| 17         |     |        |  |           |         |
| 18         |     |        |  |           |         |
| 19         |     |        |  |           |         |
| 20         |     |        |  |           |         |
| 21         |     |        |  |           |         |

C.O.D.

Cash

THE FOLLOWING CODE EXPLAINS OMISSIONS ON THIS BILL

R - Regulation or Mfr's policy restricts sale  
 C - Specified uncertainty  
 F - Back ordered, will ship on arrival  
 M - Ordered to be sent direct  
 E - Free goods applied  
 O - Temporarily out, please reorder  
 D - Can not supply  
 N - Not available from Mfr.  
 P - Sold in full packages only  
 X - Narcotic order required

PAY THIS AMOUNT

20656

WHEN REMITTING PLEASE SHOW DATE AND AMOUNT OF INVOICE

☐ TURNOVER  
☐ ELECTRONIC  
☐ TELEPHONE

| CASH CHECKER | NO. FULL CASES | NO. REPACKS | PACKER | IN REPACKS |
|--------------|----------------|-------------|--------|------------|
|              |                |             | 78     | X          |

REGISTRATION NO. 25-13914

☐ ADDER



Mr. PERITO. Mr. Livingston, will you tell us during your discussions with Mr. Cohen, on or about August 11, whether he advised you, how he was able to contact his man in Baltimore and when after the contact was made, the purchasers from Baltimore would come to pick up the capsules and quinine?

Mr. LIVINGSTON. Yes; Mr. Cohen gave us a Baltimore telephone number of 669-4880. This is listed to a Charles D. Robinson of 1535 Division Street, Baltimore. This individual is known as Slim and Mr. Cohen said that he only knew this person by the nickname of Slim. He stated that when he would receive a shipment of capsules he would call this number and ask for Slim and tell Slim that a shipment is in. From the time of the phone call he could expect Slim or other individuals from Maryland to come up anywhere from within 2 hours to 3 or 4 days. He claimed that he never knew when they were coming. Of course, this is the reason why we were unable to observe all these transactions. We were not able to maintain a surveillance on this individual for 3 or 4 days. We just did not have the means to do it. But some of these transactions they would come unexpectedly at 5 o'clock in the morning and so forth at his residence. He never knew when they were coming.

Mr. PERITO. Did Mr. Cohen ever say to you, in words or substance, that he was aware of the Maryland paraphernalia statute and further that he knew there was no similar statute in Pennsylvania?

Mr. LIVINGSTON. That is correct. He stated that he knew of the Maryland law because one of the suspects from Baltimore brought a clipping up of the very first arrest, this Emmons and Franklin arrest, that I told you about. They thought that the capsules came from Mr. Cohen, in fact, it came from another drugstore, so he was aware it was a violation of the law in Maryland and he also was aware that Pennsylvania had no such law.

Mr. PERITO. Mr. Livingston, did you ever have occasion during your discussions with Mr. Cohen, to ask him the reason why he sold empty gelatin capsules when, in fact, he knew that those capsules would ultimately be used to package heroin?

Mr. LIVINGSTON. Yes; his reply consisted of three words, "cold, hard cash."

Mr. PERITO. Is it fair to say then, sir, that a paraphernalia statute in your State or a Federal statute would be helpful in your work?

Mr. LIVINGSTON. Definitely. I would love to have the Maryland statute enacted in Pennsylvania.

Mr. PERITO. I have no further questions, Mr. Chairman.

Mr. WALDIE. I understood you to say that the wholesaler cooperated with you when he became aware that this paraphernalia was being used in the heroin traffic, is that right, sir?

Mr. LIVINGSTON. Yes; that is right, sir.

Mr. WALDIE. What took him so long to become aware of it when you mentioned that no druggists could possibly have use for the number of pills this one was receiving from this wholesaler? Would that not have alerted the wholesaler that these pills were being used for something other than except in the organized drug traffic?

Mr. LIVINGSTON. Yes; they were suspicious of the destination of these items. They alerted us when the purchases became excessive in the spring of 1970. Prior to that he was buying relatively small



quantities in 1969, and they felt that he may have been using them legitimately at that time. But they called us when it was apparent that these were being used outside the normal practice of pharmacy.

Mr. WALDIE. Well, then, did you get your lead to this drugstore through the wholesaler?

Mr. LIVINGSTON. Yes; that is correct.

Mr. WALDIE. They initiated the lead to you?

Mr. LIVINGSTON. Yes; that is correct. They were extremely co-operative and they were a very legitimate firm.

Mr. WALDIE. Even if you knew, as you say you did, that these pills or these capsules, and the component parts to cut the heroin were being used in the drug traffic there was nothing in the existing law that could permit you to move on that except the voluntary compliance?

Mr. LIVINGSTON. Nothing at all, sir. We attempted to initiate a conspiracy charge in Pennsylvania to violate the Maryland law and we were unsuccessful after a lot of conferences, and so forth. We were told there was no legal basis for that charge. Likewise, there was no legal basis for a Federal conspiracy charge unless we had a number of other elements present in the case regarding prosecutable Federal offenses, which, in this case, we did not have. So, legally, we did not have a leg to stand on so far as prosecuting Mr. Cohen.

Mr. WALDIE. Even with his admission that he was selling these things to traffickers in heroin and knew the purpose to which it was being put there is absolutely no—

Mr. LIVINGSTON. Absolutely nothing, sir. I was amazed to find that out but that was the verdict up there from our district attorney and our attorney general's office, and so forth.

Mr. WALDIE. I have no further questions.

Mr. PEPPER. Mr. Wiggins?

Mr. WIGGINS. I have no questions.

Mr. PEPPER. Mr. Steiger?

Mr. STEIGER. Thank you, Mr. Chairman.

Mr. Livingston, do you have a pharmacy board or pharmacist's license in Pennsylvania?

Mr. LIVINGSTON. We have a State board of pharmacy in the department of state; yes.

Mr. STEIGER. And the State board of pharmacy is required to license practicing pharmacists in Pennsylvania?

Mr. LIVINGSTON. Yes; that is correct.

Mr. STEIGER. Is there no language in the statute that provides for the State board to the effect that actions detrimental to the public and the profession can be grounds for removal of the license? Have you explored that at all?

Mr. LIVINGSTON. There is a vaguely worded statute, not a statute, a regulation, rather, on unethical conduct, that sort of thing. I am not familiar with it specifically, but it has been our experience in the past that we have to have a criminal conviction in order for the board to take any action of revocation or suspension of license. It has to be a conviction in a criminal court, rather than some allegation of unethical conduct.

Mr. STEIGER. Did you or anybody from your office discuss the Cohen matter with the pharmacy board in Pennsylvania?

Mr. LIVINGSTON. I did not. I believe persons from our main office did. I think it is going to be brought up by the board. Now, what action, if any, they will take, I can only speculate on.

Mr. STEIGER. As a practical matter, Mr. Livingston, from your knowledge of the street trade generally, do these No. 5 capsules have a street value as opposed to the dealer's value? For example, can the user resell them or trade in the capsules themselves?

Mr. LIVINGSTON. This has occurred in some areas. I believe your next witness will have more knowledge on that. I believe in Baltimore they were giving a rebate for used capsules in order to repackage them.

Mr. STEIGER. Assuming that we are successful in eliminating this source of a container, as the committee was in the case of the glassine envelopes, again from your earlier recitation in which you mentioned balloons, is it your opinion that the elimination of a specific container is going to materially affect the drug traffic for a significant period of time?

Mr. LIVINGSTON. I think any action to restrict or curtail the availability of containers for street sales will curtail to some extent the trafficking, at least for a while. They are always going to find something else to use. Now, in some cases they are using tiny pieces of aluminum foil to package drugs where capsules and glassine envelopes are not available.

Mr. STEIGER. It occurs to me that because of the inherent protection of such things as pharmacy boards and so forth, it would seem to me that just as the committee is focusing on those who manufacture and distribute the container, it is obviously going to be a responsibility of the profession or, I guess this is really a question, not a statement, if the professions involved, pharmacy, medicine, were sufficiently diligent in questioning any excessive purchases of either narcotics adulterants or containers, do you feel from your experience in the traffic in narcotics that with medicine, and pharmacy, and producers, and distributors being alert for excessive purchases that we could be more successful in controlling the traffic or would the whole thing just become illegal? What is your opinion?

Mr. LIVINGSTON. Well, I believe that if the various licensing boards, pharmacy, medical boards, what have you, were much more stringent than they have been in the past, we certainly would not have the problem that we have today with pharmacists like Mr. Cohen and some physicians indiscriminately prescribing narcotics and controlled drugs. If the boards were a little more tough about it I think we certainly would not have the problem we have now.

Mr. STEIGER. How many wholesalers of drugs and drug products such as the one who cooperated with you, how many of those wholesalers are there in the State of Pennsylvania, approximately?

Mr. LIVINGSTON. I would not have any idea. There are only two in the area which I cover. Now, there are a number in Philadelphia and a number in Pittsburgh. Probably 20 or 30 or more in the State of Pennsylvania.

Mr. STEIGER. Has there been, in your memory, any other wholesaler who has cooperated in the same manner as the firm that you mentioned?

Mr. LIVINGSTON. In my experience, this is the only firm which ever was involved in the sale of capsules on this level.

Mr. STEIGER. Did you ever hear from the producers of the capsules, have you ever had any contact with the manufacturers; have they made any attempt to cooperate?

Mr. LIVINGSTON. Yes. I spoke to a Mr. Allen Gillies from the Eli Lilly Co., at the Brenner Co., several weeks ago, and I informed him as to our activities and the fact that Brenner was cooperating with us, and so forth, and I gave him the details of our investigation and so forth. That was the only contact I ever had with any of the drug companies.

Mr. STEIGER. Was the result of that, or the purpose of that, to increase the cooperation between the producer and the wholesaler; was that your intention?

Mr. LIVINGSTON. Our intention at this point was merely to inform the representatives of Eli Lilly of the role of the Brenner Wholesale Co. in this case. That they were not making a bundle off of this, so to speak, they were doing it at our request so we could hopefully make some cases out of it.

Mr. STEIGER. Thank you, Mr. Chairman.

Mr. PEPPER. Just a couple of questions, Mr. Livingston. One is, have you ever had occasion, as a law enforcement officer in the narcotics field, to see the paraphernalia in a place where there has been a cutting operation occurring?

Mr. LIVINGSTON. Yes, I have.

Mr. PEPPER. Would you describe what you saw?

Mr. LIVINGSTON. Well, there is generally a large flat surface, whether it be a tabletop or whatever, mixing containers, you will find the remnants of the adulterants whether it was quinine, lactose, baking soda, or any number of substances, sifters, strainers, this type of thing. Generally, you find remnants of adulterants and some equipment used, spatulas and this type of thing.

Mr. PEPPER. Now then, we have just enacted, in bills that have separately passed the Senate and the House, a no-knock provision authorizing, under certain circumstances, a law enforcement officer to break a door down and enter into a room where cutting operations are in progress. And one of the justifications for the no-knock provision, which many have regarded as a very questionable authority, is that the heroin will be flushed down the drain if somebody knocks at the door and identifies himself and seeks entrance, so that the heroin would not be there when the officer entered the room.

Now, assuming that that is true, if the officers who go in, even under the no-knock provision, if that finally becomes law, or the no-knock provision in the District of Columbia, I am not asking you as a lawyer but from your general knowledge and experience as a law enforcement officer, if the people who are engaged in this cutting operation had managed to get the heroin down the drain, as it were, would there be any existing lawful authority for the officer entering to arrest the people who might be found there with all that paraphernalia about, in the state of the present law?

Mr. LIVINGSTON. No, sir; there would be no authority.

Mr. PEPPER. So that there could be no arrest upon the presumption of what appeared to be reasonable evidence that that stuff has just been used in the cutting of heroin, is that the present law?

Mr. LIVINGSTON. That is correct. We have had similar incidents occur in Pennsylvania.



Mr. PEPPER. You have?

One other question. Could you tell the committee, according to the best knowledge you have, what is the source of the heroin that comes into Pennsylvania?

Mr. LIVINGSTON. I can only speak with authority of my area, which is Harrisburg, and the bulk, if not all, of the heroin, cocaine, what have you, comes from Baltimore, the Baltimore area.

Mr. PEPPER. The Baltimore area?

Mr. LIVINGSTON. I cannot speak about Philadelphia and Pittsburgh, because I do not work in those areas any more, but the bulk of the hard narcotics comes from Baltimore.

Mr. PEPPER. Any other questions?

Well, thank you very much, Mr. Livingston. You have been very helpful to us.

Mr. LIVINGSTON. Thank you.

Mr. PEPPER. Our next witness is Detective Sergeant Frank Mazzone of the Maryland State Police. Sergeant Mazzone has had a distinguished career as a law enforcement officer since he began his career in 1954 as a patrolman on the Pleasantville, N.J., Police Department.

He has served as a member of the Baltimore City Police Department and earned the highest average in his recruit class.

He joined the Maryland State Police in 1960 and attained the highest average of his recruit class at the State police academy. He is assigned to the intelligence division and is a veteran of countless narcotic investigations.

He has completed numerous courses in narcotics and drug abuse, and now teaches narcotics courses for the State police. By the way, I want to commend the authorities of Pennsylvania and Maryland and our own Bureau of Narcotics and Dangerous Drugs and all other authorities who are training men skilled in dealing with curtailing the narcotic trade all over the country.

Sergeant Mazzone will testify to the development of paraphernalia cases in Maryland as a direct result of investigations conducted in Pennsylvania by Mr. Livingston and his colleagues. He will also detail the paraphernalia-trafficking relationship between Maryland and Pennsylvania.

Sergeant Mazzone, I understand you do not have a prepared statement, but that you are fully prepared to share with us the fruits of your intensive investigations.

Mr. Perito, our chief counsel, will begin the questioning.

Mr. PERITO. Sergeant Mazzone, on the basis of your experience as a narcotics agent and detective, could you please give us the background of the narcotics trafficking situation in Maryland, as you know it at the present time?

#### STATEMENT OF FRANK MAZZONE, DETECTIVE SERGEANT, MARYLAND STATE POLICE

Mr. MAZZONE. In Maryland we have what we might say are two separate factors. In the Metropolitan Baltimore area we have several individuals who are considered to be major violators in the Baltimore area. They have their connections in New York and make trips them-

selves to New York or send their underlings to New York to purchase heroin in large quantities, that is, in kilo lots or more.

Mr. PERITO. Is that your definition of a major violator in Baltimore, that is, a man who deals in kilo, and/or multikilo lots of heroin?

Mr. MAZZONE. Yes. He purchases kilo lots or multikilo lots in New York, brings it back but is actually selling ounce or multiple-ounce lots on the streets of Baltimore.

Mr. PERITO. When the trafficker brings the junk back to Maryland, is it usually whacked or cut up at that point?

Mr. MAZZONE. Yes. He would bring it back and he himself, or in most instances, would have one of his employees cut it up.

Mr. PERITO. Please continue, sir.

Mr. MAZZONE. We have a bit of a separate operation in the Metropolitan Washington area in that the source of supply for the counties in Maryland surrounding Washington is in fact, Washington, that is Washington, D.C.

Mr. PERITO. How many detectives do you have assigned to the narcotics squad in Baltimore?

Mr. MAZZONE. At the present time we have 25 members of the vice narcotics unit in the Maryland State Police, that is, working generally undercover in the entire State of Maryland. Baltimore City has a large narcotic unit and several of the county police forces have narcotic units.

Mr. PERITO. Do you have many subjects under investigation in Baltimore who deal in ounce or multiounce lots?

Mr. MAZZONE. Yes, we feel that we have several, top 10 if you want to call it that, who deal in ounce or multiounce lots.

Mr. PERITO. Now, do you know from your investigations and undercover work whether there are any instances where a subject travels to New York and picks up not only heroin but also heroin paraphernalia?

Mr. MAZZONE. Yes, sir, we have instances; we have known of instances where they pick up both the heroin and the paraphernalia. But the paraphernalia has been a problem to these people.

Mr. PERITO. Could you please further elaborate upon what that situation creates?

Mr. MAZZONE. The popular packaging container, if you want to call it that, in the Baltimore, Md., area, is the No. 5 gelatin capsule. They have been able to get this capsule. They had in the past several places where they could purchase these capsules in large quantities, but in the past several months because of a new law that was enacted in Maryland, it has been very difficult to obtain these No. 5 capsules.

Mr. PERITO. Could you please review for our committee the present situation regarding street prices for heroin in Baltimore and the surrounding areas?

Mr. MAZZONE. Street prices vary quite a bit in Baltimore in that in certain sections of Baltimore, a No. 5 capsule of heroin sells for \$1, that is, 3 to 5 percent heroin in one No. 5 gelatin capsule. In other areas in Maryland away from Baltimore City, they sell for as much as \$3 a capsule, again——

Mr. PEPPER. One capsule cost \$3 to \$5?

Mr. MAZZONE. Yes, sir. That is, with heroin.

Mr. PERITO. What are empty gelatin capsules selling for in the Baltimore area at the present time?



Mr. MAZZONE. At the present time, capsules have sort of diminished because of recent arrests. But prior to the recent arrests they were being sold for about \$10 a thousand or \$45 to \$50 per 5,000. That is the people purchasing them in large quantities were paying that much. In fact, at the present time, the distributors of heroin in the Baltimore area are buying back the empty gelatin capsules from the addicts on the street.

Mr. PEPPER. Excuse me, for those in the hearing room who might be interested, I have in my hand one of the little No. 5 gelatin capsules that Mr. Mazzone is talking about, is that correct, Mr. Mazzone? [Chairman displays empty capsule to public, samples are kept in committee files.]

Mr. MAZZONE. Yes, sir.

Mr. PEPPER. You have some there.

Mr. MAZZONE. Yes, sir. They come in various colors. Generally clear and pink. These particular capsules are pink.

Mr. PERITO. Is there a preference on the street in Baltimore, Md., for pink as opposed to clear capsules?

Mr. MAZZONE. No, sir; whatever they can get.

Mr. PERITO. Could you tell us the price now being paid by the heroin dealers to buy back empty capsules from addicts?

Mr. MAZZONE. In some instances 1 cent apiece. In some instances they are giving one capsule of heroin free upon the return of a certain number, a very small number of empty capsules. These, in fact, are pink.

Mr. PERITO. Now, these gelatin capsules you are referring to, Detective Mazzone, were these seized by your agency at some point?

Mr. MAZZONE. Yes, sir; these capsules I have along here today along with the lactose and quinine were seized as a result of the information developed or information furnished by Mr. Livingston.

Mr. PERITO. You were then working in close cooperation with the Pennsylvania Division of Health, of which Mr. Livingston is a part?

Mr. MAZZONE. Yes, sir.

Mr. PERITO. Could you describe briefly for us the lactose and quinine hydrochloride that you have in front of you on the table?

Mr. MAZZONE. Yes, sir. I have here today three, 5,000-box containers, three boxes, each containing 5,000 empty No. 5 gelatin capsules which were part of the 65,000 seized on August 12. I also have two, 1-pound or 16-ounce cans of lactose also seized with the 65,000 empty capsules, and one 5-ounce bottle of quinine. These were all seized together in Parkton, Baltimore County, Md., at the time or just prior to the arrest of two individuals.

Mr. PERITO. Now, Sergeant Mazzone, directing your attention to a time prior to the enactment of the Maryland paraphernalia statute and that statute is referred to as Maryland Senate bill 883, section 287, chapter 403, will you please explain to the committee what the street situation was regarding paraphernalia distribution and sale prior to the enactment of this statute?

Mr. MAZZONE. Prior to the enactment of this statute there were minor problems in the narcotic business concerning the capsules. They were hard to get but they could be purchased, both in Maryland and in nearby or surrounding States.

The container of choice in Maryland is the No. 5 gelatin capsule, and although they did have some difficulty there was never a panic

as such, on the street for the empty No. 5 gelatin capsule. It was readily available.

Mr. PERITO. What was the selling price at that time?

Mr. MAZZONE. \$1 to \$3 per capsule containing 3 to 5 percent heroin.

Mr. PERITO. What, to the best of your knowledge, was the wholesale street price for empty gelatin capsules purchased by dealers in lots of 1,000?

Mr. MAZZONE. It would have been the same price. The \$45 to \$55 per thousand. We do know that since July 1 the price was to go up quite a bit.

Mr. PERITO. Now, did you actively consult with attorneys and the statutory drafters prior to the enactment of the Maryland paraphernalia statute?

Mr. MAZZONE. Yes, sir; I was a consultant to the legislature in the enactment of this section.

Mr. PERITO. Now, Chairman Pepper asked the last witness whether there was ever an occasion in which he attempted to effect an arrest or a seizure, and upon getting into the apartment discovered that narcotics were missing or flushed down the toilet and yet there was paraphernalia present.

Did this situation ever happen to you?

Mr. MAZZONE. Yes, sir.

Mr. PERITO. Could you describe a typical situation for the committee?

Mr. MAZZONE. A typical situation: We executed a search and seizure warrant, not having a previous undercover buy, we had no arrest warrant. We only had a search and seizure warrant and upon entering the suspected premises and getting by a lookout who was stationed outside who gave a warning, we forced entry and entered the suspected premises, and after containing the people inside who were running about, and the water was running in the commode, we discovered a sieve, strainers, scales, empty gelatin capsules and glassine envelopes, lactose, in this one particular instance we did not find quinine, and staples, some staplings and some plastic, some ties to tie off the plastic, sets of plastic bags. We found these various items. However, we found, at that time, no narcotics, that is a controlled dangerous substance, and we were unable to make any charges.

Mr. PERITO. All this information, I assume, you brought to the attention of the Maryland authorities and to the attention of the statutory drafters prior to the enactment of the Maryland paraphernalia statute.

Mr. MAZZONE. Yes, sir.

Mr. PERITO. Now, Mr. Livingston has been kind enough to detail what transpired in his State of Pennsylvania in reference to the Senate Drug Store. Could you explain for the committee the Maryland aspect of those cases which were developed through the Senate Drug Store and in cooperation with Mr. Livingston's agency in Pennsylvania?

Mr. MAZZONE. Yes, sir. As a result of our law that went into effect on July 1, 1970, which made it a violation for anyone to possess or distribute controlled paraphernalia, which would include glassine envelopes, gelatin capsules, or any other container suitable for the individual packaging of individual quantities of controlled dangerous

substances, you must possess these containers in sufficient quantity to—and under circumstances which reasonably indicate an intention to—use such items for the illegal manufacture, distribution, or dispensing of a controlled dangerous substance.

As a result of that law, and the information furnished by Mr. Livingston, we did, in fact, set up the surveillances and as the vehicles approached Maryland our intention was to attempt to follow the vehicle with the suspects, knowing that the vehicle contained the controlled paraphernalia, to the cutting house. That would be the ideal situation, but the routes they were traveling made it practically impossible for continuous surveillance and, as a result, it was necessary in at least two instances to effect an arrest on the highway and, as a result, in one instance we seized 25,000 empty No. 5 gelatin capsules, and a quantity of lactose; and in the second instance, 65,000 empty No. 5 gelatin capsules, a quantity of lactose and quinine. Those individuals who were arrested and charged are presently under indictment awaiting trial.

Mr. PERITO. And as a result of your agency's cooperation and the cooperation of the Pennsylvania authorities and the Maryland State Police, did you ever participate in an interview of Leonard Cohen?

Mr. MAZZONE. Yes, sir, I did.

Mr. PERITO. Do you have any recollection of that conference which was not testified to by Mr. Livingston?

Mr. MAZZONE. Yes. Several interesting things were learned in a conversation with Mr. Cohen. Not only did he have his initial contact with the woman in Harrisburg, Pa., but he identified, through photographs, some of our major violators, including Mr. Berman and Mr. Westcott, whose names were mentioned by Mr. Livingston.

But in his calls to "Slim Charles," as we know him, Mr. Charles Robinson, another Baltimore violator, he would call Mr. Robinson and had, in fact, a sort of a homemade code that he told Mr. Robinson and his code was: "I have a wall," and he explained this code to us that day, meaning that he had so many gelatin capsules that had formed a wall in his house and he was desirous of Mr. Robinson to come to his house and to help him tear down the wall.

Mr. PERITO. Was there anything further that you recollect which was not mentioned by Mr. Livingston?

Mr. MAZZONE. Only that as a result of our conversation with Mr. Cohen and the information developed, we were able to obtain search and seizure warrants and subsequently executed those warrants and did, in fact, arrest some of the Baltimore violators and at the time of the arrest did, in fact, seize controlled paraphernalia.

We have in other instances been able to make charges for violation of this section of the law, that is, the illegal possession of controlled paraphernalia under the proper circumstances for things other than gelatin capsules and glassine envelopes.

Mr. PERITO. Now, there was another case that Mr. Livingston mentioned during the course of his testimony, wherein the source of supply was People's Drug Store, which was cooperating with Pennsylvania authorities. Did you participate or did your bureau participate in that arrest?

Mr. MAZZONE. Yes, sir; we effected that arrest also.



Mr. PERITO. What evidence, to the best of your recollection, was seized?

Mr. MAZZONE. In that instance, we seized 25 empty No. 5 gelatin capsules and one can of lactose. In addition, in both those instances we were able to seize the vehicles involved, one a 1961 Lincoln, and one a 1970 Mercury.

Mr. PERITO. And the statute provides for the seizure of the conveyance vehicle if, as a result of the transportation, that vehicle contains certain prohibited dangerous substances set forth in the statute, is that right?

Mr. MAZZONE. Yes, sir. In addition, not in the controlled paraphernalia section but in our seizure section, it was amended to include the transportation and so forth, of controlled paraphernalia.

Mr. PERITO. Mr. Chairman, I would respectfully request that the Maryland paraphernalia statutes, and attachments to those statutes, be offered as a part of this record. For the convenience of the record, we have entitled the first exhibit, which contained 59 invoices, exhibit No. 1. I would like to offer this statute and accompanying attachments as exhibit No. 2.

Mr. PEPPER. Without objection, it will be received.

(The document referred to above was marked "Exhibit No. 2" for reference and follows:)

## EXHIBIT 2

Senate Bill No. 883.

Introduced by the President, Senators Snyder, Azrael, Bertier, Conroy, Crawford, Finney, Gore, Hodges, McGuirk, Nock, Steinberg, Anderson, Bailey, Bertorelli, Bishop, Brubaker, Byron, Clark, Connolly, Cook, Curran, Dean, Emanuel, Friedler, Hall, Hart, Hoyer, Hughes, Lapidés, Manning, Mitchell, Pine, Schweinhaut, Smelser, Staten, Staszak, Steffey, Stone, Welcome and Wineland.

*Approved by the Gov.  
4/28/70*

Read and Examined by Proof Reader:

\_\_\_\_\_  
Proof Reader.

\_\_\_\_\_  
Proof Reader.

Sealed with the Great Seal and presented to the Governor, for his

approval this \_\_\_\_\_ day of \_\_\_\_\_

at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary.

### CHAPTER 403

AN ACT to repeal Sections 276 through 313D of Article 27 of the Annotated Code of Maryland (1967 Replacement Volume and 1969 Supplement), title "Crimes and Punishments," subtitle "Crimes and Punishments," subheadings "Health—Narcotic Drugs," "Health — Dangerous Drugs," "Health — Harmful Inhalants,"

EXPLANATION: *Italics indicate new matter added to existing law.*

**[Brackets]** indicate matter stricken from existing law.

**CAPITALS** indicate amendments to bill.

~~Strike out~~ indicates matter stricken out of bill.



## EXHIBIT 2—Continued

2

## SENATE BILL NO. 883

"Health—State Drug Abuse Control Act," "Health—Possession of Amphetamines and Barbiturates," "Health—Unsolicited Mailing of Drugs," and to repeal said subheadings, and to enact new Sections 276 through 302 in lieu thereof, to stand in the place of the sections repealed and to be under the new subheading "Health—Controlled Dangerous Substances," to follow immediately after Section 275 of said Article, providing for a comprehensive set of schedules, regulations, offenses, and penalties for those substances which are classified as controlled dangerous substances, providing a procedure for forfeiture of certain property under certain conditions, and generally revising the law relating to the subject of dangerous drugs, and matters generally relating thereto.

1 SECTION 1. *Be it enacted by the General Assembly of Maryland,*  
 2 *That Sections 276 through 313D of Article 27 of the Annotated Code*  
 3 *of Maryland (1967 Replacement Volume and 1969 Supplement), title*  
 4 *"Crimes and Punishments," subtitle "Crimes and Punishments,"*  
 5 *subheadings "Health — Narcotic Drugs," "Health — Dangerous*  
 6 *Drugs," "Health—Harmful Inhalants," "Health—State Drug Abuse*  
 7 *Control Act," "Health—Possession of Amphetamines and Barbitu-*  
 8 *rates," "Health—Unsolicited Mailing of Drugs," and to repeal said*  
 9 *subheadings, and to enact new Sections 276 through 302 in lieu*  
 10 *thereof, to stand in the place of the sections repealed and to be under*  
 11 *the new subheading "Health—Controlled Dangerous Substances," to*  
 12 *follow immediately after Section 275 of said Article, and all to read*  
 13 *as follows:*

1 **HEALTH—CONTROLLED DANGEROUS SUBSTANCES**

2 **276. Purpose and Construction:**

3 (a) *The General Assembly finds and declares that many of the*  
 4 *substances included with this subheading have a useful and legiti-*  
 5 *mate medical purpose and are necessary to maintain the health and*  
 6 *general welfare of the people of the State of Maryland.*

7 *The General Assembly, however, finds and declares that the illegal*  
 8 *manufacture, distribution, possession, and administration of con-*  
 9 *trolled dangerous substances have a substantial and detrimental*  
 10 *effect on the health and general welfare of the people of the State*  
 11 *of Maryland. It is the purpose of this subheading to establish a*  
 12 *uniform law controlling the manufacture, distribution, possession,*  
 13 *and administration of controlled dangerous substances and related*  
 14 *paraphernalia in order to insure their availability for legitimate*  
 15 *medical and scientific purposes, but to prevent their abuse which*  
 16 *results in a serious health problem to the individual and represents*  
 17 *a serious danger to the welfare of the people of the State of*  
 18 *Maryland.*

19 (b) *The provisions of this subheading shall be liberally inter-*  
 20 *preted and construed so as to effectuate its general purpose as stated*  
 21 *hereinabove.*

1 **277. Definitions:**

2 *The following words and phrases as used in this subheading shall*  
 3 *have the following meanings unless the context otherwise requires:*

4 (a) *"Administer" shall mean to introduce a substance into the*

5 system of a human being or animal by injection, inhalation, in-  
6 gestion, application to the skin, or any combination thereof or by  
7 any other means.

8 (b) "Agent" shall mean AN employee or other authorized person  
9 who acts on behalf of or at the direction of a manufacturer, dis-  
10 tributor or practitioner but does not include a common or contract  
11 carrier, public warehouseman or employee thereof.

12 (c) "Authority" shall mean the Drug Abuse Authority under the  
13 jurisdiction of the Department.

14 (d) "Bureau of Narcotics and Dangerous Drugs" shall mean the  
15 Bureau of Narcotics and Dangerous Drugs of the United States  
16 Department of Justice.

17 (e) "Control" shall mean the power of the Department to add,  
18 remove, or change the placement of a drug, substance, or immedi-  
19 ate precursor under Sections 278 and 279 of this subheading as  
20 amended from time to time.

21 (f) "Controlled Dangerous Substance" shall mean any drug, sub-  
22 stance or immediate precursor in Schedules I through IV of this  
23 subheading. The term shall not include distilled spirits, wine, malt  
24 beverages or tobacco as those terms are set forth in Article 2B of  
25 the Code.

26 (g) "Counterfeit substance" means a controlled dangerous sub-  
27 stance, or the container or labeling of which, without authorization,  
28 bears the trademark, trade name, or other identifying mark, im-  
29 print, number or device, or any likeness thereof, of a manufacturer,  
30 distributor, or dispenser other than the person who in fact manu-  
31 factured, distributed or dispensed any such substance and which  
32 thereby falsely purports or is represented to be the product of, or  
33 to have been distributed by, any such other manufacturer, distribu-  
34 tor, or dispenser.

35 (h) "Department" shall mean the Department of Health and Men-  
36 tal Hygiene of this State.

37 (i) "Deliver" or "Delivery" shall mean the actual, constructive,  
38 or attempted transfer, exchange, or delivering of a controlled danger-  
39 ous substance from one person to another with or without remunera-  
40 tion, whether or not there exists an agency relationship.

41 (j) "Depressant or stimulant drug" shall mean—

42 (i) a drug which contains any quantity of barbituric acid or any  
43 of the salts of barbituric acid; or any derivative of barbituric acid  
44 which has been designated by the Secretary of Health, Education  
45 and Welfare as habit forming under Section 502 (d) of the "Fed-  
46 eral Food, Drug, and Cosmetic Act".

47 (ii) a drug which contains any quantity of amphetamine or any  
48 of its optical isomers; any salt of amphetamine or any salt of an  
49 optical isomer of amphetamine; or any substance which the Attor-  
50 ney General of the United States, after investigation, has found to  
51 be, and by regulation designated as, habit forming because of its  
52 stimulant effect on the central nervous system.

52a (k) "Dispense" shall mean to deliver a controlled dangerous sub-  
53 stance to the ultimate user or THE human research subject by or

## EXHIBIT 2—Continued

4

## SENATE BILL NO. 883

54 pursuant to the lawful order of a practitioner, including the packag-  
 55 ing, labeling, or compounding necessary to prepare the substance for  
 56 such delivery. "Dispenser" is a practitioner who delivers a controlled  
 57 dangerous substance to the ultimate user or human research subject.

58 (l) "Distribute" shall mean to deliver a controlled dangerous  
 59 substance. "Distributor" means a person who delivers a controlled  
 60 dangerous substance.

61 (m) "Drug" means (1) articles recognized in the official United  
 62 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the  
 63 United States, or official National Formulary, or any supplement  
 64 to any of them; and (2) articles intended for use in the diagnosis,  
 65 cure, mitigation, treatment, or prevention of disease in man or other  
 66 animals; and (3) articles (other than food) intended to affect the  
 67 structure or any function of the body of man or other animals;  
 68 and (4) articles intended for use as a component of any article  
 69 specified in clause (1), (2), or (3) of this paragraph; but does not  
 70 include devices or their components, parts, or accessories.

71 (n) "Drug dependent person" shall mean a person who is using  
 72 a controlled dangerous substance and who is in a state of psychic  
 73 or physical dependence, or both, arising from administration of that  
 74 controlled dangerous substance on a continuous basis. Drug de-  
 75 pendence is characterized by behavioral and other responses which  
 76 include a strong compulsion to take the substance on a continuous  
 77 basis in order to experience its psychic effects, or to avoid the dis-  
 78 comfort of its absence.

1 (o) "Marihuana" shall mean all parts of the plant *Cannabis sativa*  
 2 L., whether growing or not; the seeds thereof; the resin extracted  
 3 from any part of such plant; and every compound, manufacture, salt,  
 4 derivative, mixture, or preparation of such plant, its seeds or resin,  
 5 but shall not include the mature stalks of such plant, fiber produced  
 6 from such stalks, oil or cake made from the seeds of such plant, any  
 7 other compound, manufacture, salt, derivative, mixture, or prepara-  
 8 tion of such mature stalks (except the resin extracted therefrom),  
 9 fiber, oil, or cake, or the sterilized seed of such plant which is in-  
 10 capable of germination.

11 (p) "Manufacture" shall mean the importation, production, prepa-  
 12 ration, propagation, compounding, or processing of a controlled  
 13 dangerous substance, either directly or indirectly by extraction from  
 14 substances of natural origin, or independently by means of chemical  
 15 synthesis or by a combination of extraction and chemical synthesis.  
 16 "Manufacturer" includes any person who packages, repackages, or  
 17 labels any container of any controlled dangerous substance, except  
 18 practitioners who dispense or compound prescription orders for  
 19 delivery to the ultimate user.

20 (q) "Narcotic Drug" shall mean any of the following, whether  
 21 produced directly or indirectly by extraction from substances of  
 22 vegetable origin, or independently by means of chemical synthesis,  
 23 or by a combination of extraction and chemical synthesis; and which  
 24 have been found to present an extreme danger to the health and  
 25 welfare of the community because of their addiction-forming and  
 26 addictive-sustaining liabilities:

27 (i) "opiate" which shall mean any dangerous substance having



28 an addiction-forming or addiction-sustaining liability similar to mor-  
 29 phine or being capable of conversion into a drug having such addic-  
 30 tion-forming or addiction-sustaining liability; and the "opium poppy"  
 31 which shall mean the plant of the species *Papaver somniferum* L.,  
 32 except the seeds thereof, and the "poppy straw" which shall mean  
 33 all parts, except the seeds, of the opium poppy, after mowing; and  
 34 coca leaves which shall mean cocaine and any compound, manufac-  
 35 ture, salt, derivative, mixture or preparation of coca leaves, except  
 36 derivatives of coca leaves which do not contain cocaine, ecgonine  
 37 or substances from which cocaine or ecgonine may be synthesized  
 38 or made;

39 (ii) a compound, manufacture, salt, derivative, or preparation of  
 40 opium, coca leaves, or opiates;

41 (iii) a substance and any compound, manufacture, salt, derivative,  
 42 or preparation thereof which is chemically identical with any of the  
 43 substances referred to in clauses (1) and (2), except that the words  
 44 "narcotic drug" as used in this include decocainized coca leaves or  
 45 extracts of coca leaves, which extracts do not contain cocaine or  
 46 ecgonine.

47 (r) "Person" shall mean any corporation, association, partner-  
 48 ship or one or more individuals.

49 (s) "Possession" shall mean the exercise of actual or constructive  
 50 dominion or control over a thing by one or more persons.

51 (t) "Practitioner" shall mean one of the following:

52 "physician" shall mean any person authorized by law to practice  
 53 medicine in this State.

54 "dentist" and "veterinarian" shall mean any person authorized by  
 55 law to practice DENTISTRY OR VETERINARY MEDICINE in  
 55a this State.

56 "hospital" shall mean an institution for the care and treatment  
 57 of the sick and injured approved by the Department of Health,  
 58 State of Maryland, as proper to be entrusted with the custody of  
 59 controlled dangerous substances under the direction of a physician,  
 60 dentist, or veterinarian, or "scientific investigator," "pharmacy,"  
 61 laboratory, or other persons licensed, registered, or otherwise per-  
 62 mitted to distribute, dispense, conduct research with respect to, or  
 63 administer a controlled dangerous substance in the course of pro-  
 64 fessional practice or research in this State, or any medical officer of  
 65 any vessel or the master of any vessel whenever any such medical  
 66 officer or another physician is unavailable.

67 (u) "Production" includes the manufacture, planting, cultivation,  
 68 growing, or harvesting of a controlled dangerous substance.

69 (v) "Immediate precursor" means a substance which the Depart-  
 70 ment has found to be and by regulation designates as being the  
 71 principal compound commonly used or produced primarily for use,  
 72 and which is an immediate chemical intermediary used or likely to  
 73 be used in the manufacture of a controlled dangerous substance,  
 74 the control of which is necessary to prevent, curtail, or limit such  
 75 manufacture.

76 (w) "State" means the State of Maryland.

## EXHIBIT 2—Continued

6

## SENATE BILL NO. 883

77 (x) "Ultimate user" means a person who lawfully possesses a con-  
 78 trolled dangerous substance for his own use or for the use of a  
 79 member of his household or for administration to an animal owned  
 80 by him or by a member of his household.

1 278. Authority to Control.

2 (a) The Department shall control all substances enumerated in  
 3 Section 279 of this subheading and may, by motion or on the peti-  
 4 tion of any interested party pursuant to the procedures of the  
 5 Administrative Procedure Act, AND AFTER NOTICE AND HEAR-  
 6 ING, add ~~or reschedule~~ a substance as a controlled dangerous sub-  
 7 stance. In making such a determination, the Department shall con-  
 7a sider the following:

- 8 (1) its actual or relative potential for abuse;
- 9 (2) scientific evidence of its pharmacological effect, if known;
- 10 (3) state of current scientific knowledge regarding the substance;
- 11 (4) its history and current pattern of abuse;
- 12 (5) the scope, duration, and significance of abuse;
- 13 (6) what, if any, risk there is to the public health;
- 14 (7) its psychic or physiological dependence liability; and
- 15 (8) whether the substance is an immediate precursor of a sub-  
 16 stance already controlled under this subheading.

17 After considering the above factors, the Department shall make  
 18 findings with respect thereto and shall issue an order controlling  
 19 the substance if it finds that the substance has a potential for abuse.

20 (b) If the Department designates a substance as an immediate  
 21 precursor, substances which are precursors of the controlled precursor  
 22 shall not be subject to control solely because they are precursors  
 23 of the controlled precursor.

24 (c) Any new substance which is designated as controlled under  
 25 Federal law shall be similarly controlled under this subheading un-  
 26 less, within sixty (60) days of publication in the Federal Register  
 27 of a final order designating a substance as a controlled dangerous  
 28 substance or rescheduling a substance, the Department objects to  
 29 such inclusion or rescheduling. In such case the Department shall  
 30 cause to be published and made public the reasons for such objec-  
 31 tion and shall afford all interested parties an opportunity to be  
 32 heard. At the conclusion of such hearing, the Department shall pub-  
 33 lish and make public its decision, which shall be final. An appeal  
 34 from a designation made pursuant to this section shall not stay  
 35 the effect of such designation.

36 (d) The Department shall update and republish a schedule on  
 37 a semi-annual basis for two years from the effective date of this  
 38 Act, and thereafter on an annual basis.

1 279. Schedules of Controlled Dangerous Substances:

2 The following Schedules include the controlled dangerous sub-  
 3 stances listed or to be listed by whatever official name, common or  
 4 usual name, chemical name, or trade name designated.



## EXHIBIT 2—Continued

SENATE BILL NO. 883

7

5 (a) *Schedule I—In determining that a substance comes within*  
6 *this Schedule, the Department shall find:*

7 (1) *a high potential for abuse, and*

8 (2) *no accepted medical use in the United States, and*

9 (3) *a lack of accepted safety for use under medical supervision.*

10 *The following are controlled dangerous substances and are included*  
11 *in this Schedule:*

12 a. *Any of the following substances, including their isomers, esters,*  
13 *ethers, salts, and salts of isomers, esters, and ethers, unless speci-*  
14 *fically excepted, whenever the existence of such isomers, esters,*  
15 *ethers and salts is possible within the specific chemical designation:*

16 1. *Acetylmethadol.*

17 2. *Allylprodine.*

18 3. *Alphameprodine.*

19 4. *Alphacetylmethadol.*

20 5. *Alphamethadol.*

21 6. *Benzethidine.*

22 7. *Betacetylmethadol.*

23 8. *Betameprodine.*

24 9. *Betamethadol.*

25 10. *Betaprodine.*

25a 11. *Clonitazene.*

26 12. *Dextromoramide.*

27 13. *Dextrophan.*

28 14. *Diampromide.*

29 15. *Diethylambutene.*

30 16. *Dimenoxadol.*

31 17. *Dimepheptanol.*

32 18. *Dimethylambutene.*

33 19. *Dioxaphetyl butyrate.*

34 20. *Dipipanone.*

35 21. *Ethylmethlthiambutene.*

36 22. *Etonitazene.*

37 23. *Etozeridine.*

38 24. *Furethidine.*

39 25. *Hydroxypethidine.*

40 26. *Ketobemidone.*

## EXHIBIT 2—Continued

8

## SENATE BILL NO. 883

- 41 27. *Levomoramide.*
- 42 28. *Levophenacymorphan.*
- 43 29. *Morpheridine.*
- 44 30. *Noracymethadol.*
- 45 31. *Norlevorphanol.*
- 46 32. *Normethadone.*
- 47 33. *Norpipanone.*
- 48 34. *Phenadoxone.*
- 49 35. *Phenampromide.*
- 50 36. *Phenomorphan.*
- 51 37. *Phenoperidine.*
- 52 38. *Piritramide.*
- 53 39. *Proheptazine.*
- 54 40. *Properidine.*
- 55 41. *Racemoramide.*
- 56 42. *Trimeperidine.*
- 57 b. *Any of the following opium derivatives, their salts, isomers*
- 58 *and salts of isomers, unless specifically excepted, whenever the ex-*
- 59 *istence of such salts, isomers and salts of isomers is possible within*
- 60 *the specific chemical designation:*
- 61 1. *Acetylcodone.*
- 62 2. *Benzylmorphine.*
- 63 3. *Codeine methylbromide.*
- 64 4. *Codeine-N-Oxide.*
- 65 5. *Desomorphine.*
- 66 6. *Heroin.*
- 67 7. *Hydromorphenol.*
- 68 8. *Methyldesorphine.*
- 69 9. *Methylhydromorphine.*
- 70 10. *Morphine methylbromide.*
- 71 11. *Morphine methylsulfonate.*
- 72 12. *Morphine-N-Oxide.*
- 73 13. *Myrophine.*
- 74 14. *Nicocodeine.*
- 75 15. *Nicomorphine.*
- 76 16. *Normorphine.*
- 77 17. *Thebacon.*

1 *c. Any material, compound, mixture or preparation which con-*  
 2 *tains any quantity of the following hallucinogenic or hallucinogenic-*  
 3 *like substances, their salts, isomers and salts of isomers, unless*  
 4 *specifically excepted, whenever the existence of such salts, isomers,*  
 5 *and salts of isomers is possible within the specific chemical*  
 6 *designation:*

- 7 1. *Bufotenine.*
- 8 2. *Diethyltryptamine.*
- 9 3. *Dimethyltryptamine.*
- 10 4. *4-methyl-2, 5-dimethoxyamphetamine.*
- 11 5. *Ibogaine.*
- 12 6. *Lysergic acid diethylamide.*
- 13 7. *Marihuana.*
- 14 8. *Mescaline.*
- 15 9. *Peyote.*
- 16 10. *Psilocybin.*
- 17 11. *Psilocyn.*
- 18 12. *Tetrahydrocannabinol.*
- 19 13. *MDA*
- 20 14. *MMDA*
- 21 15. *TMA*
- 22 16. *JB-318*
- 23 17. *JB-336*

24 (b) *Schedule II—In determining that a substance comes within*  
 25 *this Schedule, the Department shall find:*

- 26 1. *a high potential for abuse, and*
- 27 2. *currently accepted medical use in the United States, or cur-*  
 28 *rently accepted medical use with severe restrictions, and*
- 29 3. *abuse may lead to severe psychic or physical dependence.*

30 *The following are controlled dangerous substances and are in-*  
 31 *cluded in this Schedule.*

32 *a. Any of the following substances except those narcotic drugs*  
 33 *listed in other schedules whether produced directly or indirectly by*  
 34 *extraction from substances of vegetable origin, or independently by*  
 35 *means of chemical synthesis, or by combination of extraction and*  
 36 *chemical synthesis:*

- 37 1. *Opium, coca leaves, and opiate;*
- 38 2. *Any salt, compound, derivative, or preparation of opium, coca*  
 39 *leaves, or opiate;*
- 40 3. *Any salt, compound, derivative, or preparation thereof which*  
 41 *is chemically equivalent or identical with any of the substances*

## EXHIBIT 2—Continued

10

## SENATE BILL NO. 883

42 referred to in clauses 1 and 2, except that these substances shall  
 43 not include decocainized coca leaves or extraction of coca leaves,  
 44 which extractions do not contain cocaine or ecgonine; and shall not  
 45 include the isoquinoline alkaloids of opium;

46 4. Opium, poppy and poppy straw.

47 b. Any of the following opiates, including their isomers, esters,  
 48 ethers, salts, and salts of isomers, esters and ethers, unless specifically  
 49 excepted, whenever the existence of such isomers, esters, ethers and  
 50 salts is possible within the specific chemical designation:

51 1. Alphaprodine.

52 2. Anileridine.

53 3. Bezitramide.

54 4. Diphenoxylate.

55 5. Fentanyl.

56 6. Isomethadone.

57 7. Levomethorphan.

58 8. Levorphanol.

59 9. Metazocine.

60 10. Methadone.

61 11. Methadone—Intermediate, 4-cyano-2-dimethylamino-4,  
 62 4-diphenyl butane.

63 12. Moramide—Intermediate, 2-methyl-3-morpholino-1,  
 64 1-diphenyl-propane-carboxylic acid.

65 13. Pethidine.

66 14. Pethidine—Intermediate—A,  
 67 4-cyano-1-methyl-4-phenylpiperidine.

68 15. Pethidine—Intermediate—B,  
 69 ethyl-4-phenylpiperidine-4-carboxylate.

70 16. Pethidine—Intermediate—C,  
 71 1-methyl-4-phenylpiperidine-4-carboxylic acid.

72 17. Phenazocine.

73 18. Piminodine.

74 19. Racemethorphan.

75 20. Racemorphan.

76 c. Methamphctamine, its salts, optical isomers, and salts of optical  
 77 isomers.

1 (c) Schedule III—In determining that a substance comes within  
 2 this Schedule, the Department shall find:

3 1. A potential for abuse less than the substances listed in Sched-  
 4 ules I and II; and

5 2. well documented and approved medical use in the United  
 6 States; and



7 3. abuse may lead to moderate or low physical dependence or high  
8 psychological dependence.

9 The following are classes of controlled dangerous substances and  
10 are included in this Schedule:

11 a. Any material, compound, mixture, or preparation which con-  
12 tains any quantity of the following substances having a potential  
13 for abuse associated with a stimulant effect on the central nervous  
14 system.

15 1. Amphetamine, its salts, optical isomers, and salts of its optical  
16 isomers.

17 2. Phenmetrazine and its salts.

18 3. Any substance which contains any quantity of methampheta-  
19 mine, including its salts, optical isomers, and salts of its optical  
20 isomers, IN COMBINATION with one or more active non-narcotic  
21 ingredients in recognized therapeutic amounts.

22 4. Methylphenidate.

23 b. Any material, compound, mixture, or preparation which con-  
24 tains any quantity of the following substances having a potential  
25 for abuse associated with a depressant effect on the central nervous  
26 system:

27 1. Any substance which contains any quantity of a derivative of  
28 barbituric acid, or any salt of a derivative of barbituric acid, ex-  
29 cept those substances which are specifically listed in other Schedules.

30 2. Chloral betaine.

31 3. Chloral hydrate.

32 4. Chlorhexadol.

33 5. Ethchlorvynol.

34 6. Ethinamate.

35 7. Glutethimide.

36 8. Lysergic acid.

37 9. Lysergic acid amide.

38 10. Methypylon.

39 11. ~~Paraldehyde~~, PARALDEHYDE.

40 12. Petrichloral.

41 13. Phencyclidine.

42 14. Sulfondiethylmethane.

43 15. Sulfonethylmethane.

44 16. Sulfonmethane.

1 c. Nalorphine.

2 d. Any material, compound, mixture, or preparation containing  
3 limited quantities of any of the following narcotic drugs, or any  
4 salts thereof:

5 1. Not more than 1.80 grams of codeine per 100 milliliters or not  
6 more than 90 milligrams per dosage unit, with an equal or greater  
7 quantity of an isoquinoline alkaloid of opium.

## EXHIBIT 2—Continued

12

## SENATE BILL NO. 883

8 2. Not more than 1.80 grams of codeine per 100 milliliters or not  
 9 more than 90 milligrams per dosage unit, with one or more active,  
 10 non-narcotic ingredients in recognized therapeutic amounts.

11 3. Not more than 300 milligrams of dihydrocodeinone per 100  
 12 milliliters or not more than 15 milligrams per dosage unit, with a  
 13 fourfold or greater quantity of an isoquinoline alkaloid of opium.

14 4. Not more than 300 milligrams of dihydrocodeinone per 100  
 15 milliliters or not more than 15 milligrams per dosage unit, with one  
 16 or more active, non-narcotic ingredients in recognized therapeutic  
 17 amounts.

18 5. Not more than 1.80 grams of dihydrocodeine per 100 milliliters  
 19 or not more than 90 milligrams per dosage unit, with one or more  
 20 active, non-narcotic ingredients in recognized therapeutic amounts.

21 6. Not more than 300 milligrams of ethylmorphine per 100 milli-  
 22 liters or not more than 15 milligrams per dosage unit, with one or  
 23 more active, non-narcotic ingredients in recognized therapeutic  
 24 amounts.

25 7. Not more than 500 milligrams of opium per 100 milliliters or  
 26 per 100 grams, or not more than 25 milligrams per dosage unit,  
 27 with one or more active, non-narcotic ingredients in recognized  
 28 therapeutic amounts. Not more than 100 milligrams of opium per  
 29 100 milliliters or per 100 grams, or not more than 5 milligrams  
 30 per dosage unit.

31 8. Not more than 50 milligrams of morphine per 100 milliliters  
 32 or per 100 grams with one or more active, non-narcotic ingredients  
 33 in recognized therapeutic amounts.

34 e. The Department may by regulation except any compound, mix-  
 35 ture, or preparation containing any stimulant or depressant sub-  
 36 stance listed in paragraphs (a) and (b) of this Schedule above  
 37 from the application of all or any part of this Act if the compound,  
 38 mixture, or preparation contains one or more active medicinal  
 39 ingredients not having a stimulant or depressant effect on the cen-  
 40 tral nervous system; Provided, that such admixtures shall be in-  
 41 cluded therein in such combinations, quantity, proportion, or con-  
 42 centration as to vitiate the potential for abuse of the substances  
 43 which do have a stimulant or depressant effect on the central nervous  
 44 system.

1 (d) Schedule IV—In determining that a substance comes within  
 2 this Schedule, the Department shall find:

3 1. a low potential for abuse relative to the substances listed in  
 4 Schedule III; and

5 2. currently accepted medical use in the United States; and

6 3. limited physical dependence and/or psychological dependence  
 7 liability relative to the substances listed in Schedule III.

8 The following are controlled dangerous substances and are included  
 9 in this Schedule.

10 a. Any compound, mixture, or preparation containing limited  
 11 quantities of any of the following narcotic drugs, which shall include  
 12 one or more non-narcotic active medicinal ingredients in sufficient  
 13 proportion to confer upon the compound, mixture, or preparation,

14 valuable medicinal qualities other than those possessed by the nar-  
15 cotic drug alone:

16 1. Not more than 200 milligrams of codeine per 100 milliliters  
17 or per 100 grams;

18 2. Not more than 100 milligrams of dihydrocodeine per 100 milli-  
19 liters or per 100 grams;

20 3. Not more than 50 milligrams of ethylmorphine per 100 milli-  
21 liters or per 100 grams;

22 4. Not more than 2.5 milligrams of diphenoxylate and not less  
23 than 25 micrograms of atropine sulfate per dosage unit.

1 280. Rules and Regulations concerning the Manufacture, Distribu-  
2 tion and Dispensing of Controlled Dangerous Substances:

3 The Department is authorized to promulgate rules and regulations  
4 and to charge reasonable fees relating to the registration and con-  
5 trol of the manufacture, distribution, and dispensing of controlled  
6 dangerous substances within the State.

1 281. Registration Requirements:

2 (a) Every person who manufactures, distributes, or dispenses any  
3 controlled dangerous substance within the State or who proposes  
4 to engage in the manufacture, distribution, or dispensing of any con-  
5 trolled dangerous substance within the State, shall obtain annually  
6 a registration issued by the Department in accordance with the  
7 rules and regulations promulgated by the Department.

8 (b) The following persons shall not be required to register and  
9 in addition to the aforementioned registrants while acting in the  
10 course of their business or profession may lawfully possess con-  
11 trolled dangerous substances under the provisions of this subheading:

12 (1) An agent, or an employee thereof, of any registered manu-  
13 facturer, distributor, or dispenser of any controlled dangerous sub-  
14 stance if such agent is acting in the usual course of his business  
15 or employment;

16 (2) A common or contract carrier or warehouseman, or an em-  
17 ployee thereof, whose possession of any controlled dangerous sub-  
18 stance is in the usual course of his business or employment;

19 (3) An ultimate user or a person in possession of any controlled  
20 dangerous substance pursuant to a lawful order of a practitioner,  
21 while acting in good faith and in the ordinary course of business  
22 or professional practice;

23 (c) The Department may, by regulation, waive the requirement  
24 for registration of certain manufacturers, distributors, or dispensers  
25 if the Department finds it consistent with the public health and  
26 safety.

27 (d) A separate registration shall be required at each principal  
28 place of business or professional practice where the applicant manu-  
29 factures, distributes, or dispenses controlled dangerous substances.

30 (e) The Department is authorized to inspect the establishment of  
31 a registrant or applicant for registration in accordance with the  
32 rules and regulations promulgated by the Department.



33 (f) The Department shall register an applicant to manufacture or  
 34 distribute controlled dangerous substances included in Schedules I  
 35 through IV of Article II of this subheading unless the Department  
 36 determines that the issuance of such registration is inconsistent with  
 37 the public interest. In determining the public interest, the following  
 38 factors shall be considered:

39 (1) maintenance of effective controls against diversion of par-  
 40 ticular controlled dangerous substances and any Schedule I or II  
 41 substance compounded therefrom into other than legitimate medical,  
 42 scientific, or industrial channels.

43 (2) compliance with applicable State, Federal, and local law;

44 (3) prior conviction record of applicant under Federal, State, and  
 45 local laws relating to the manufacture, distribution, or dispensing of  
 46 such substances;

47 (4) past experience in the manufacture and distribution of con-  
 48 trolled dangerous substances, and the existence in the establishment  
 49 of effective controls against diversion; and

50 (5) such other factors as may be relevant to and consistent with  
 51 the public health and safety.

52 (g) Registration granted under subsection (f) of this section shall  
 53 not entitle a registrant to manufacture and distribute controlled  
 54 dangerous substances in Schedule I or II other than those specified  
 55 in the registration.

56 (h) Practitioners shall be registered by the Department to dis-  
 57 pense substances in Schedules II through IV if they are authorized  
 58 to dispense under the law of this State. A registration application  
 59 by a practitioner who wishes to conduct research with Schedule I  
 60 substances shall be referred to the Department for advice. Regis-  
 61 tration for the purpose of bona fide research with Schedule I sub-  
 62 stances by a practitioner deemed qualified by the Department may  
 63 be denied only on a ground specified in Section 282 (a) as amended  
 64 from time to time, or on the ground that the applicant's past prac-  
 65 tice or proposed procedures furnish grounds for the belief that the  
 66 applicant will abuse or unlawfully transfer such substances or fail  
 67 to safeguard adequately his supply of such substances against diver-  
 68 sion from legitimate medical or scientific use.

69 (i) The Department shall initially permit persons to register  
 70 who own or operate any establishment engaged in the manufacture,  
 71 distribution or dispensing of any controlled dangerous substances  
 72 prior to the effective date of this Act and who are registered or  
 73 licensed by the State.

74 (j) Compliance by manufacturers and distributors with the pro-  
 75 visions of the Federal law respecting registration (excluding fees)  
 76 shall be deemed compliance with this section.

#### 1 282. Denial, Revocation, or Suspension of Registration:

2 { (a) A registration pursuant to Section 281, as amended from time  
 3 to time, to manufacture, distribute, or dispense a controlled danger-  
 4 ous substance, may be suspended or revoked by the Department  
 5 upon a finding that the registrant:



6 (1) has materially falsified any application filed pursuant to this  
7 subheading or required by this subheading;

8 (2) has been convicted of an offense under this subheading or  
9 any of the prior laws of this State, of the United States, or of any  
10 State, relating to any substances defined herein as a controlled  
11 dangerous substance; or

12 (3) has had his Federal registration suspended or revoked by  
13 competent Federal authority and is no longer authorized by Federal  
14 law to engage in the manufacturing, distribution, or dispensing of  
15 controlled dangerous substances;

16 (4) has violated any of the provisions of this subheading.

17 (b) The Department may limit revocation or suspension of a  
18 registration to the particular controlled dangerous substance with  
19 respect to which grounds for revocation or suspension exist.

20 (c) Before taking action pursuant to this section or pursuant to a  
21 denial of registration under Section 281, the Department shall serve  
22 upon the applicant or registrant an order to show cause why regis-  
23 tration should not be denied, revoked, or suspended. The order to  
24 show cause shall contain a statement of the basis thereof and shall  
25 call upon the applicant or registrant to appear before the Department  
26 at a time and place stated in the order, but in no event less than  
27 thirty days after the date of receipt of the order. Proceedings to  
28 deny, revoke, or suspend shall be conducted pursuant to this section  
29 in accordance with the Administrative Procedure Act. Such proceed-  
30 ings shall be independent of, and not in lieu of, criminal prosecutions  
31 or other proceedings under this Act or any law of the State.

32 (d) The Department may, in its discretion, suspend any registra-  
33 tion simultaneously with the institution of proceedings under this  
34 section in cases where it finds that there is an imminent danger to  
35 the public health or safety. Such suspension shall continue in effect  
36 until the conclusion of such proceedings, including judicial review  
37 thereof, unless sooner withdrawn by the Department or dissolved  
38 by the appropriate circuit court or the Supreme Bench of Baltimore  
39 City as the case may be.

40 (e) In the event the Department suspends or revokes a registra-  
41 tion granted under Section 281, all controlled dangerous substances  
42 owned or possessed by the registrant pursuant to such registration  
43 at the time of suspension or the effective date of the revocation  
44 order, as the case may be, may in the discretion of the Department  
45 be placed under seal. No disposition may be made of substances  
46 under seal until the time for taking an appeal has elapsed or until  
47 all appeals have been concluded unless the court, upon application  
48 therefor, orders the sale of perishable substances and the deposit  
49 of the proceeds of the sale with the court. Upon a revocation order  
50 becoming final, all such controlled dangerous substances shall be  
51 forfeited to the State.

52 (f) The Bureau of Narcotics and Dangerous Drugs shall promptly  
53 be notified of all orders suspending or revoking registration and all  
54 forfeitures of controlled dangerous substances.

1 283. Records of Registrants:

2 Upon the effective date of this Act, each registrant manufacturing,

## EXHIBIT 2—Continued

16

## SENATE BILL NO. 883

3 distributing or dispensing controlled dangerous substances in Sched-  
 4 ules I, II, III, or IV shall make a complete and accurate record of  
 5 all stocks of such dangerous substances on hand. Thereafter, com-  
 6 plete and accurate records of all such dangerous substances shall be  
 7 maintained for two years. Each two year period after the effective  
 8 date of this Act, at the time of his regular fiscal inventory, each  
 9 registrant manufacturing, distributing, or dispensing controlled  
 10 dangerous substances shall prepare an inventory of each dangerous  
 11 substance in his possession. Records and inventories shall contain  
 12 such information as shall be provided by rules and regulations pro-  
 13 mulgated by the Department. This subsection shall not apply to  
 14 practitioners who lawfully prescribe or administer, but not otherwise  
 15 dispense, controlled dangerous substances listed in Schedules II, III,  
 16 or IV of this subheading. Compliance with the provisions of the  
 17 Federal law respecting records and reports shall be deemed com-  
 18 pliance with this section.

## 1 284. Order Forms:

2 Controlled dangerous substances in Schedules I and II shall be  
 3 distributed only by a registrant, pursuant to an order form. Com-  
 4 pliance with the provisions of the Federal law respecting order forms  
 5 for these schedules shall be deemed compliance with this section.

## 1 285. Prescriptions:

2 (a) Except when dispensed directly by a practitioner, other than  
 3 a pharmacist, to an ultimate user, no controlled dangerous substance  
 4 included in Schedule II, which is a prescription drug as determined  
 5 under Article 43, may be dispensed without the written prescription  
 6 of a practitioner: Provided, that in emergency situations, as pre-  
 7 scribed by the Department by regulation, such drug may be dis-  
 8 pensed upon oral prescription reduced promptly to writing and filed  
 9 by the pharmacist, if such oral prescription is authorized by Federal  
 10 law. Prescriptions shall be retained in conformity with the require-  
 11 ments of Section 282 of this subheading, as amended from time to  
 12 time. No prescription for a Schedule II substance may be refilled.

13 (b) Except when dispensed directly by a practitioner, other than  
 14 a pharmacist, to an ultimate user, no controlled dangerous substance  
 15 included in Schedule III which is a prescription drug as determined  
 16 under Article 43, may be dispensed without a written or oral pre-  
 17 scription. Such prescription may not be filled or refilled more than  
 18 six months after the date thereof or be refilled more than five times  
 19 after the date of the prescription, unless renewed by the practitioner.

20 (c) No controlled dangerous substance included in Schedule IV  
 21 may be distributed or dispensed other than for a medical purpose;  
 22 and, in addition to compliance with the provisions of this subheading  
 23 and the Federal requirements, any such practitioner shall upon dis-  
 24 pensing any such controlled dangerous substance securely affix to  
 25 the container thereof, in addition to any other label already affixed  
 26 thereto, a label bearing the dispenser's name and signature, his  
 27 registry number, the date on which dispensed, and the purchaser's  
 28 name.

## 1 286. Offenses and Penalties:

2 (a) Except as authorized by this subheading, it shall be unlawful  
 3 for any person:

## EXHIBIT 2—Continued

## SENATE BILL NO. 883

17

4 (1) to manufacture, distribute, or dispense, or to possess a con-  
 5 trolled dangerous substance in sufficient quantity to reasonably in-  
 6 dicade under all circumstances an intent to manufacture, distribute,  
 7 or dispense, a controlled dangerous substance;

8 (2) to create, distribute, or possess with intent to distribute, a  
 9 counterfeit controlled dangerous substance;

10 (3) to manufacture, distribute, or possess any punch, die, plate,  
 11 stone, or any other equipment which is designed to print, imprint,  
 12 or reproduce the trademark, trade name, or other identifying mark,  
 13 imprint, or device of another or any likeness of any of the fore-  
 14 going upon any drug or container or labeling thereof so as to render  
 15 such drug a counterfeit controlled dangerous substance;

16 (4) to manufacture, distribute or possess any machine, equip-  
 17 ment, instrument, implement, device or combination thereof which  
 18 is adopted for the production of controlled dangerous substances  
 19 under circumstances which reasonably indicate an intention to use  
 20 such item or combination thereof to produce, sell, or dispense any  
 21 controlled dangerous substance in violation of the provisions of this  
 22 subheading;

24 (5) to keep or maintain any common nuisance which shall mean  
 25 any dwellinghouse, apartment, building, vehicle, vessel, aircraft, or  
 26 any place whatever which is resorted to by drug abusers for pur-  
 27 poses of illegally administering controlled dangerous substances or  
 28 which is used for the illegal manufacture, distribution, dispensing,  
 29 STORAGE or concealment of controlled dangerous substances or  
 30 controlled paraphernalia, as defined in subsection (d) of Section 287  
 31 of this subheading.

32 (b) Any person who violates any of the provisions of subsection  
 33 (a) with respect to:

34 (1) a substance classified in Schedules I or II which is a narcotic  
 35 drug shall, upon conviction, be deemed guilty of a felony, and sen-  
 36 tenced notwithstanding the provisions of Article 27, Section 642,  
 37 as amended from time to time, and sentenced to a term of imprison-  
 38 ment for not less than three (3) years nor more than twenty (20)  
 39 years, and a fine of not more than twenty-five thousand dollars  
 40 (\$25,000), OR BOTH. NOTHING IN THIS SUBSECTION SHALL  
 41 PREVENT, PROHIBIT OR MAKE INELIGIBLE ANY CON-  
 42 VICTED DEFENDANT FROM PARTICIPATING IN THE RE-  
 43 HABILITATION PROGRAM UNDER ARTICLE 43B, SECTIONS  
 44 12 AND 13, AS AMENDED FROM TIME TO TIME, BECAUSE  
 45 OF THE LENGTH OF SENTENCE.

41 (2) Any other controlled dangerous substance classified in Sched-  
 42 ule I, II, III, or IV shall, upon conviction, be deemed guilty of a  
 43 felony and sentenced to a term of imprisonment for not more than  
 44 seven (7) years, and or FIVE (5) YEARS OR a fine of not more  
 45 than fifteen thousand dollars (\$15,000), or both.

1 287.

2 Except as authorized by this subheading, it is unlawful for any  
 3 person:

4 (a) To possess or administer to another any controlled dangerous  
 5 substance, unless such substance was obtained directly, or pursuant



## EXHIBIT 2—Continued

18

## SENATE BILL NO. 883

6 to a valid prescription or order from a practitioner, while acting  
7 in the course of his professional practice.

8 (b) To obtain or attempt to obtain a controlled dangerous sub-  
9 stance or controlled paraphernalia or to procure or attempt to  
10 procure the administration of any controlled dangerous substance  
11 by (1) fraud, deceit, misrepresentation or subterfuge, or (2) by the  
12 forgery or alteration of a prescription or a written order, or (3)  
13 by the concealment of any material fact or by the use of false name  
14 or address, or (4) by falsely assuming the title of or representing  
15 himself to be a manufacturer, distributor or practitioner, or (5) by  
16 making or uttering any false or forged prescription or written order.

17 Information communicated to a physician in an effort to obtain  
18 controlled dangerous substances or controlled paraphernalia in vio-  
19 lation of the provisions of this ~~subheading~~ SUBSECTION shall not  
20 be deemed a privileged communication.

21 (c) To affix any false or forged label to a package, container or  
22 other receptacle containing any controlled dangerous substance, or  
23 to omit, remove, alter or obliterate any label or symbol on any such  
24 controlled dangerous substance as required by the Federal, State,  
25 or local law.

26 (d) To possess or distribute controlled paraphernalia which shall  
27 mean (i) a hypodermic syringe, needle or other instrument or im-  
28 plement or combination thereof adapted for the administration of  
29 controlled dangerous substances by hypodermic injections under cir-  
30 cumstances which reasonably indicate an intention to use such con-  
31 trolled paraphernalia for purposes of illegally administering any  
32 controlled dangerous substance.

33 (ii) gelatin capsules, ~~glycine~~ GLASSINE envelopes or any other  
34 container suitable for the ~~individual quantities of packaging~~ PACK-  
35 AGING OF INDIVIDUAL QUANTITIES of controlled dangerous  
36 substances in sufficient quantity to and under circumstances which  
37 reasonably indicate an intention to use any such item for the  
38 illegal manufacture, distribution, or dispensing of any such con-  
39 trolled dangerous substance. Evidence of such circumstances shall  
39a include but not be limited to close proximity of any such con-  
40 trolled paraphernalia to any adulterants or equipment commonly used  
41 in the illegal manufacture and distribution of controlled dangerous  
42 substances, such as but not limited to any of the following: scales,  
43 sieves, strainers, measuring spoons, staples and staplers, or ~~procaïne~~  
44 PROCAINE hydrochloride, mannitol, lactose, quinine, or any con-  
45 trolled dangerous substance.

46 (e) Any person who violates this section shall, upon conviction,  
47 be deemed guilty of a misdemeanor and be sentenced to a term of  
48 imprisonment for not more than ~~five~~ (5) FOUR (4) years, a fine  
49 of not more than twenty-five thousand dollars (\$25,000), or both;  
50 provided, however, that any such person convicted of a violation of  
51 this section involving THE USE OR POSSESSION OF marihuana  
52 shall be punished by a period of imprisonment not to exceed one (1)  
53 year or by a fine not to exceed \$1,000.00, or both.

1 288.

2 (a) ~~It~~ EXCEPT AS AUTHORIZED BY THE PROVISIONS OF  
2a THIS SUBHEADING, IT shall be unlawful for any person:



3 (1) who is subject to the requirements of Sections 281 through  
4 284 of this subheading, as amended from time to time, to distribute  
5 or dispense a controlled dangerous substance in violation of Sec-  
6 tion 284;

7 (2) who is a registrant to manufacture, distribute, or dispense a  
8 controlled dangerous substance not authorized by his registration to  
9 another registrant or other authorized person;

10 (3) to omit, remove, alter, or obliterate a symbol required by the  
11 Federal Controlled Dangerous Substances Act;

12 (4) to refuse or fail to make, keep or furnish any record, notifi-  
13 cation, order form, statement, invoice or information required under  
14 this subheading;

15 (5) to refuse any entry into any premises or inspection authorized  
16 by this subheading;

17 (6) to keep or maintain as a registrant or as any other person  
18 authorized under this subheading any store, shop, warehouse, dwell-  
19 ing house, building, vehicle, boat, aircraft, or any place whatever,  
20 which is resorted to by persons using controlled dangerous sub-  
21 stances in violation of this subheading for the purpose of using  
22 such substances, or which is used for the keeping or selling of the  
23 same in violation of this subheading.

24 (b) Any person described hereinabove who violates this section  
25 is punishable by a civil fine of not more than fifty thousand dollars  
26 (\$50,000). Provided, that if the violation is prosecuted by an in-  
27 formation or indictment which alleges that the violation was com-  
28 mitted knowingly or intentionally, and the trier of fact specifically  
29 finds that the violation was committed knowingly or intentionally,  
30 such person shall be deemed guilty of a misdemeanor and punished  
31 by imprisonment, upon conviction, for not more than two (2) years  
32 or a fine of not more than one hundred thousand dollars (\$100,000),  
33 or both.

1 289.

2 (a) It shall be unlawful for any person:

3 (1) who is a registrant to distribute a controlled dangerous sub-  
4 stance classified in Schedules I or II, in the course of his legitimate  
5 business, except pursuant to an order form as required by Section 284  
6 of this subheading;

7 (2) to use in the course of the manufacture or distribution of a  
8 controlled dangerous substance a registration number which is  
9 fictitious, revoked, suspended or issued to another person;

10 (b) Any person who WILFULLY violates this section shall be  
11 deemed guilty of a felony and, upon conviction, shall be punished by  
12 imprisonment for not more than ten (10) years, and or a fine of not  
13 more than one hundred thousand dollars (\$100,000), or both.

1 290. Attempt, Endeavor and Conspiracy:

2 Any person who attempts, endeavors or conspires to commit any  
3 offense defined in this subheading is punishable by imprisonment or  
4 fine or both which may not exceed the maximum punishment pre-

## EXHIBIT 2—Continued

20

## SENATE BILL NO. 883

5 scribed for the offense, the commission of which was the object of  
6 the attempt, endeavor or conspiracy.

1 291. Additional Penalties:

2 Any penalty imposed for violation of this subheading shall be in  
3 addition to, and not in lieu of, any civil or administrative penalty or  
4 sanction authorized by law.

1 292. Conditional Discharge for First Offenders:

2 Whenever any person who has not previously been convicted of any  
3 offense under this subheading or under any prior law of this State  
4 or the laws of the United States or of any other State relating to  
5 controlled dangerous substances defined in this subheading, pleads  
6 guilty to or is found guilty of any of the offenses specified in this  
7 subheading, the court, if satisfied that the best interests of the  
8 person and the welfare of the people of this State would be served  
9 thereby may, with the consent of such person stay the entering of  
10 the judgment of guilt, defer further proceedings, and place such  
11 person on probation subject to such reasonable terms and conditions  
12 as may be appropriate and may in addition require that such person  
13 undergo inpatient or outpatient treatment for drug abuse. Upon  
14 violation of a term or condition, the court may enter a judgment  
15 of conviction and proceed as otherwise provided. Upon fulfillment of  
16 the terms and conditions, the court shall discharge such person and  
17 dismiss the proceedings against him. Discharge and dismissal under  
18 this section shall be without a judgment of conviction and shall not  
19 be deemed a conviction for purposes of disqualifications or disabili-  
20 ties imposed by law upon conviction of a crime including the addi-  
21 tional penalties imposed for second or subsequent convictions under  
22 Section 293 of this subheading. Discharge and dismissal under this  
23 section may occur only once with respect to any person and in addi-  
24 tion any public criminal record in any such case shall be expunged  
25 upon the satisfactory completion of any such period of probation.  
26 ANY EXPUNGED ARREST AND OR CONVICTION SHALL NOT  
27 THEREAFTER BE REGARDED AS AN ARREST OR CONVIC-  
28 TION FOR PURPOSES OF EMPLOYMENT, CIVIL RIGHTS, OR  
29 ANY STATUTE OR REGULATION OR LICENSE OR QUES-  
30 TIONNAIRE OR ANY OTHER PUBLIC OR PRIVATE PUR-  
31 POSE, PROVIDED THAT ANY SUCH CONVICTION SHALL  
32 CONTINUE TO CONSTITUTE AN OFFENSE FOR PURPOSES  
33 OF THIS SUBHEADING OR ANY OTHER CRIMINAL STATUTE  
34 UNDER WHICH THE EXISTENCE OF A PRIOR CONVICTION  
35 IS RELEVANT.

1 293. Second or Subsequent Offenses:

2 (a) Any person convicted of any offense under this subheading is,  
3 if the offense is a second or subsequent offense, punishable by a term  
4 of imprisonment twice that otherwise authorized, by twice the fine  
5 otherwise authorized, or by both.

6 (b) For purposes of this section, an offense shall be considered a  
7 second or subsequent offense, if, prior to the conviction of the offense,  
8 the offender has at any time been convicted of any offense or offenses  
9 under this subheading or under any prior law of this State or any  
10 law of the United States or of any other State relating to the other  
11 controlled dangerous substances as defined in this subheading.

1 294. *Administrative Inspections and Warrants:*

2 (a) *Issuance and execution of administrative inspection warrants*  
3 *shall be as follows:*

4 (1) *Any judge or magistrate of this State may, within his juris-*  
5 *diction, and upon proper oath or affirmation showing probable cause,*  
6 *as defined hereinafter, issue warrants for the purpose of conducting*  
7 *administrative inspections authorized by this subheading or regula-*  
8 *tions thereunder, and seizures of property appropriate to such in-*  
9 *spections. For the purposes of this section, "probable cause" means*  
10 *a valid public interest in the effective enforcement of the subheading*  
11 *or regulations sufficient to justify administrative inspection of the*  
12 *area, premises, building or conveyance in the circumstances specified*  
13 *in the application for the warrant.*

14 (2) *A warrant shall issue only upon an affidavit of an officer or*  
15 *employee duly designated and having knowledge of the facts alleged,*  
16 *sworn to before the judge or magistrate and establishing the grounds*  
17 *for issuing the warrant. If the judge or magistrate is satisfied that*  
18 *grounds for the application exist or that there is probable cause to*  
19 *believe they exist, he shall issue a warrant identifying the area,*  
20 *premises, building, or conveyance to be inspected, the purpose of*  
21 *such inspection, and, where appropriate, the type of property to be*  
22 *inspected, if any. The warrant shall identify the item or types of*  
23 *property to be seized, if any. The warrant shall be directed to a*  
24 *person authorized to execute it. The warrant shall state the grounds*  
25 *for its issuance and the name of the person or persons whose affidavit*  
26 *has been taken in support thereof. It shall command the person to*  
27 *whom it is directed to inspect the area, premises, building, or con-*  
28 *veyance identified for the purpose specified, and, where appropriate,*  
29 *shall direct the seizure of the property specified. The warrant shall*  
30 *direct that it be served during normal business hours. It shall*  
31 *designate the judge or magistrate to whom it shall be returned.*

32 (3) *A warrant issued pursuant to this section must be executed*  
33 *and returned within ten days of its date. If property is seized pur-*  
34 *suant to a warrant, the person executing the warrant shall give to*  
35 *the person from whom or from whose premises the property was*  
36 *taken a copy of the warrant and a receipt for the property taken*  
37 *or shall leave the copy and receipt at the place from which the*  
38 *property was taken. The return of the warrant shall be made*  
39 *promptly and shall be accompanied by a written inventory of any*  
40 *property taken. The inventory shall be made in the presence of the*  
41 *person executing the warrant and of the person from whose pos-*  
42 *session or premises the property was taken, if they are present, or*  
43 *in the presence of at least one credible person other than the person*  
44 *executing the warrant. The judge or magistrate, upon request, shall*  
45 *deliver a copy of the inventory to the person from whom or from*  
46 *whose premises the property was taken and to the applicant for the*  
47 *warrant.*

48 (4) *The judge or magistrate who has issued a warrant under*  
49 *this section shall attach to the warrant a copy of the return and all*  
50 *papers filed in connection therewith and shall file them with the*  
51 *clerk of the court from which the warrant was issued.*

52 (b) *The Department is authorized to make administrative inspec-*  
53 *tions of controlled premises in accordance with the following pro-*



## EXHIBIT 2—Continued

22

## SENATE BILL NO. 883

54 visions and to designate who may make seizures of property pursuant  
55 to the provisions of this section;

56 (1) For purposes of this article only, "controlled premises"  
57 means:

58 (a) places where persons registered or exempted from registration  
59 requirements under this subheading are required to keep records; and

60 (b) places including factories, warehouses, establishments, and  
61 conveyances where persons registered or exempted from registration  
62 requirements under this Act are permitted to hold, manufacture,  
63 compound, process, sell, deliver, or otherwise dispose of any con-  
64 trolled dangerous substance.

65 (2) When so authorized by an administrative inspection warrant  
66 issued pursuant to subsection (a) of this section an officer or em-  
67 ployee designated by the Department, upon presenting the warrant  
68 and appropriate credentials to the owner, operator, or agent in  
69 charge, shall have the right to enter controlled premises for the  
70 purpose of conducting an administrative inspection.

71 (3) When so authorized by an administrative inspection warrant,  
72 an officer or employee designated by the Department shall have the  
73 right—

74 (a) to inspect and copy records required by this subheading to  
75 be kept;

76 (b) to inspect, within reasonable limits and in a reasonable man-  
77 ner, controlled premises and all pertinent equipment, finished and  
78 unfinished material, containers and labelling found therein, and,  
79 except as provided in subsection (b) (5) of this section, all other  
80 things therein (including records, files, papers, processes, controls,  
81 and facilities) bearing on violation of this subheading; and

82 (c) to inventory any stock of any controlled dangerous substance  
83 therein and obtain samples of any such substance.

84 (4) The Department and its agents shall have authority to inspect  
85 without a warrant books and records pursuant to this subheading  
86 and to enter and conduct administrative inspections (including  
87 seizures of property) without a warrant:

88 (a) with the consent of the owner, operator, or agent in charge  
89 of the controlled premises;

90 (b) in situations presenting imminent danger to health or safety;

91 (c) in situations involving inspection of conveyances where there  
92 is reasonable cause to believe that the mobility of the conveyance  
93 makes it impracticable to obtain a warrant;

94 (d) in any other exceptional or emergency circumstance where  
95 time or opportunity to apply for a warrant is lacking; and,

96 (e) in all other situations where a warrant is not legally required.

97 (5) Except when the owner, operator, or agent in charge of the  
98 controlled premises so consents in writing, no inspection authorized  
99 by this section shall extend to

100 (a) financial data;



- 101 (b) sales data other than shipment data; or  
 102 (c) pricing data.

X 1 295. Injunctions:

2 In addition to the other remedies provided by this subheading  
 3 and notwithstanding any other provisions of law, the Department,  
 4 the Attorney General, and the State's Attorney of any county or  
 5 Baltimore City, as the case may be, may apply to the appropriate  
 6 court for a temporary or permanent injunction restraining any per-  
 7 son from violation of any provision of this subheading irrespective  
 8 of whether or not there exists an adequate remedy at law.

1 296. Cooperative Arrangements:

2 It is hereby made the duty of the Department and those of its  
 3 officers, agents, inspectors and representatives who are so desig-  
 4 nated by the Secretary of the Department and of all police of-  
 5 ficers AND STATE'S ATTORNEYS within the State to enforce all  
 6 provisions of this subheading, except those specifically delegated, and  
 7 to cooperate with all agencies CHARGED with the enforcement of  
 8 the laws of the United States, of this State and of any political sub-  
 9 division of this State and of all other states or political subdivisions  
 10 thereof relating to controlled dangerous substances. To this end, the  
 10a Department is authorized to:

11 (1) arrange for the exchange of information between govern-  
 12 mental officials concerning the use and abuse of dangerous sub-  
 13 stances;

14 (2) coordinate and cooperate in training programs on dangerous  
 15 substance law enforcement at the local and State levels;

16 (3) cooperate with the Federal Bureau of Narcotics and Dan-  
 17 gerous Drugs by establishing a centralized unit which will accept,  
 18 catalogue, file, and collect statistics, OBTAINED FROM LAW EN-  
 19 FORCEMENT AGENCIES, including records of drug dependent  
 20 persons CONVICTED OF DRUG OFFENSES and other dangerous  
 21 substance law offenders within the State, and make such informa-  
 22 tion available for Federal, State, and local law enforcement purposes;

23 (4) conduct programs of eradication aimed at destroying wild  
 24 or illicit growth of plant species from which controlled dangerous  
 25 substances may be extracted.

1 297. Forfeitures:

2 (a) The following shall be subject to forfeiture and no property  
 3 right shall exist in them:

4 (1) All controlled dangerous substances which have been manu-  
 5 factured, distributed, dispensed, acquired, or possessed in violation  
 6 of the provisions of this subheading;

7 (2) All raw materials, products and equipment of any kind which  
 8 or used, or intended for use, in manufacturing, compounding,  
 9 processing, delivering, importing, or exporting any controlled dan-  
 10 gerous substance in violation of the provisions of this subheading;

11 (3) All property which is used, or intended for use, as a con-  
 12 tainer for property described in subsections (1) and (2);

data  
and or  
addition

13 { (4) All conveyances including aircraft, vehicles, or vessels, which  
 14 are used, or intended for use, to transport, or in any manner to  
 15 facilitate the transportation, sale, receipt, possession, or conceal-  
 16 ment of property described in (1) or (2), except that:

17 (a) No conveyance used by any person as a common carrier in  
 18 the transaction of business as a common carrier shall be forfeited  
 19 under the provisions of this chapter unless it shall appear that the  
 20 owner or other person in charge of such conveyance was a consent-  
 21 ing party or privy to a violation of this subheading; and

22 (b) No conveyance shall be forfeited under the provisions of  
 23 this section by reason of any act or omission established by the  
 24 owner thereof to have been committed or omitted by any person  
 25 other than such owner while such conveyance was unlawfully in  
 26 the possession of a person other than the owner in violation of the  
 27 criminal laws of the United States, or of any State; and

28 (5) All books, records, and research, including formulas, micro-  
 29 film, tapes, and data which are used, or intended for use, in viola-  
 30 tion of this subheading;

32 (6) All money or currency which shall be found in close proxim-  
 32a ity to contraband controlled dangerous substances or controlled  
 33 paraphernalia or which otherwise has been used or intended for use  
 34 in connection with the illegal manufacture, distribution, dispensing  
 35 or possession of controlled dangerous substances or controlled para-  
 36 phernalia.

37 (b) Any property subject to forfeiture under this subheading  
 38 may be seized upon process issued by any court having jurisdiction  
 39 over the property except that seizure without such process may be  
 40 made when—

41 (1) The seizure is incident to an arrest or a search under a  
 42 search warrant or an inspection under an administrative inspec-  
 43 tion warrant;

44 (2) The property subject to seizure has been the subject of a  
 45 prior judgment in favor of the State in a criminal injunction or  
 46 forfeiture proceeding under this subheading;

47 (3) There is probable cause to believe that the property is di-  
 48 rectly or indirectly dangerous to health or safety; or

49 (4) There is probable cause to believe that the property has  
 50 been used or intended to be used in violation of this subheading.

51 In the event of seizure pursuant to paragraphs (3) and (4) of  
 52 this subsection, proceedings under subsection (d) of this section  
 53 shall be instituted promptly.

1 (c) Property taken or detained under this section shall not be  
 2 repleviable, but shall be deemed to be in the custody of the person  
 3 who seized said property subject only to the orders and decrees of  
 4 the court or the official having jurisdiction thereof. Whenever prop-  
 5 erty is seized under the provisions of this subheading, the person  
 6 who seized said property may:

7 (1) Place the property under seal;

8 (2) Remove the property to a place designated by the court;

9 (d) Whenever property is forfeited under this subheading, the

10 political subdivision of the law enforcement agency of the political  
 11 subdivision in which such property was seized, or, if the property  
 12 was seized by State authorities, the State may:

13 (1) Retain the property for official use;

14 (2) Sell any forfeited property which is not required to be de-  
 15 stroyed by law and which is not harmful to the public, provided  
 16 that the proceeds be disposed of for payment of all proper ex-  
 17 penses of the proceedings for forfeiture and sale including expenses  
 18 of seizure, maintenance of custody, advertising and court costs.

19 (3) Require an appropriate agency take custody of the property  
 20 and remove it for disposition in accordance with law, or destruction.

21 (e) All substances listed in Schedule I that are possessed, trans-  
 22 ferred, sold, or offered for sale in violation of the provisions of  
 23 this subheading shall be deemed contraband and seized and sum-  
 24 marily forfeited to the State. Similarly, all substances listed in  
 25 Schedule I, which are seized or come into the possession of the  
 26 State, the owners of which are unknown, shall be deemed contra-  
 27 band and summarily forfeited to the State.

28 (1) All species of plants from which controlled substances in  
 29 Schedules I and II may be derived which have been planted or  
 30 cultivated in violation of this Act, or of which the owners or cul-  
 31 tivators are unknown, or which are wild growths, may be seized  
 32 and summarily forfeited to the State.

33 (2) The failure, upon demand by the Department, or their duly  
 34 authorized agent, of the person in occupancy or in control of land  
 35 or premises upon which such species of plants are growing or being  
 36 stored, to produce an appropriate registration, or proof that he is  
 37 the holder thereof, shall constitute authority for the seizure and  
 38 forfeiture.

1 298. Enforcement, Burden of Proof and Liabilities, etc.:

2 (a) Burden of Proof: It shall not be necessary for the State  
 3 to negate any exemption, proviso or exception set forth in this sub-  
 4 heading in any complaint, information, indictment or other pleading  
 5 or in any trial, hearing, or other proceeding under this subheading,  
 6 and the burden of proof of any such exemption, proviso or excep-  
 7 tion shall be upon the person claiming its benefit. In the absence  
 8 of proof that a person is the duly authorized holder of an appro-  
 9 priate registration or order form issued under this subheading, he  
 10 shall be presumed not to be the holder of such registration or form,  
 11 and the burden of proof shall be upon him to rebut such pre-  
 12 sumption.

13 (b) Liabilities of Officers: No criminal liability shall be imposed  
 14 by virtue of this subheading upon any duly authorized officer of  
 15 the United States, this State or any political subdivision of this  
 16 State engaged in the enforcement or prosecution of this subheading,  
 17 who shall be engaged in the enforcement of any law or municipal  
 18 ordinance relating to controlled dangerous substances. EVERY  
 18a SUCH PUBLIC OFFICIAL MAY TEMPORARILY POSSESS CON-  
 18b TROLLED DANGEROUS SUBSTANCES OR CONTROLLED  
 18c PARAPHERNALIA INCIDENTAL TO THE DISCHARGE OF HIS  
 18d OFFICIAL DUTIES.



19 (c) Immunity for Witnesses: No person shall, upon pain of  
 20 contempt of court, refuse to testify concerning any violations of  
 21 the provisions of this subheading because his testimony might tend  
 22 to incriminate him or implicate him in such violations and every  
 23 such person shall be a competent witness and compellable to testify  
 24 against any person who may have committed any of the offenses  
 25 set forth under this subheading, provided that any person so com-  
 26 pelled to testify on behalf of the State in any such case shall be  
 27 exempt from prosecution, trial and punishment for any and all such  
 28 crimes and offenses about which such person was so compelled to  
 29 testify.

30 (d) Notice of Conviction: Upon the conviction of any person  
 31 for a violation of any provision of this subheading, a copy of the  
 32 judgment and sentence and of the opinion of the court, if any  
 33 opinion be filed, shall be sent by the clerk of the court to the board,  
 34 officer or agency, if any, by whom the convicted defendant has  
 35 been licensed or registered to practice his profession or to carry on  
 36 his business. Any such board, officer or agency may revoke or  
 37 suspend such license or registration or so reprimand any such  
 38 person so convicted. A duplicate copy of the judgment and sentence  
 39 and opinion, if any opinion be filed, shall be sent to the Department.  
 40 Provided, however, that this subsection shall not apply to condi-  
 41 tional discharge for first offenders so defined in Section 292 of this  
 42 subheading.

43 (e) Standard Governing Arrest, Search and Seizure: Notwith-  
 44 standing any other provision of law to the contrary, any violation  
 45 of any provision of this subheading, shall be deemed to be a felony  
 46 for purposes of arrest, search and seizure regardless of whether  
 47 a defendant is subsequently charged with or convicted of a viola-  
 48 tion which amounts only to a misdemeanor.

49 (f) Evidence: Notwithstanding any provision of law to the con-  
 50 trary, at any hearing relating to bail or sentencing arising out of  
 51 any violation or alleged violation of any provision of this subhead-  
 52 ing, hearsay evidence shall be admissible if relevant to the issue  
 53 and if the underlying circumstances upon which it is based and the  
 54 reliability of the source of the information is demonstrated.

55 { (G) STATE POLICE: NOTWITHSTANDING ANY PROVI-  
 56 SION OF LAW TO THE CONTRARY. THE STATE POLICE  
 57 MAY INITIATE INVESTIGATIONS AND OTHERWISE EN-  
 58 FORCE THE PROVISIONS OF SECTIONS 276 THROUGH 302  
 59 OF THIS ARTICLE THROUGHOUT THE STATE WITHOUT  
 60 ANY LIMITATION AS TO ACTIVITIES WITHIN MUNICIPAL  
 61 CORPORATIONS OR OTHER SUBDIVISIONS.

# 1 299. Education and Research:

2 (a) The Authority in conjunction with the various local school  
 3 boards is authorized and directed to carry out educational programs  
 4 designed to prevent and deter misuse and abuse of controlled dan-  
 5 gerous substances. In connection with such programs it is author-  
 6 ized to—

7 (1) Promote better recognition of the problems of misuse and  
 8 abuse of controlled dangerous substances within the regulated indus-  
 9 try and among interested groups and organizations;



10 (2) Assist the regulated industry and interested groups and  
 11 organizations in contributing to the reduction of misuse and abuse  
 12 of controlled dangerous substances;

13 (3) Consult with interested groups and organizations to aid them  
 14 in solving administrative and organizational problems;

15 (4) Evaluate procedures, projects, techniques, and controls con-  
 16 ducted or proposed as part of educational programs on misuse and  
 17 abuse of controlled dangerous substances;

18 (5) Disseminate the results of research on misuse and abuse of  
 19 controlled dangerous substances to promote a better public under-  
 20 standing of what problems exist and what can be done to combat  
 21 them; and,

22 (6) Assist in the education and training of State and local law  
 23 enforcement officials in their efforts to control misuse and abuse  
 24 of controlled dangerous substances.

25 (b) The Authority is authorized and directed to encourage re-  
 26 search on misuse and abuse of controlled dangerous substances. In  
 27 connection with such research and in furtherance of the enforcement  
 28 of this Act, the Authority is authorized to—

29 (1) Establish methods to assess accurately the effects of con-  
 30 trolled dangerous substances and to identify and characterize con-  
 31 trolled dangerous substances with potential for abuse;

32 (2) Make studies and undertake programs of research to—

33 (a) Develop new or improved approaches, techniques, systems,  
 34 equipment and devices to strengthen the enforcement of this sub-  
 35 heading,

36 (b) Determine patterns of misuse and abuse of controlled dan-  
 37 gerous substances and the social effects thereof, and,

38 (c) Improve methods for preventing, predicting, understanding  
 39 and dealing with the misuse and abuse of controlled dangerous sub-  
 40 stances; and,

41 (2) Enter into contracts with public agencies, institutions of  
 42 higher education, and private organizations or individuals for the  
 43 purpose of conducting research, demonstrations, or special projects  
 44 which bear directly on misuse and abuse of controlled dangerous  
 45 substances.

46 (e) The Authority may enter into contracts for educational and  
 47 research activities.

# 1 300. Prescription drugs:

2 (a) "Prescription drugs" shall mean and include any drug in-  
 3 tended for use by man which, because of its toxicity or other poten-  
 4 tiality for harmful effect, or the method of its use, or the collateral  
 5 measures necessary for its use, is designated by the Department as  
 6 not safe for use except under the supervision of a practitioner  
 7 licensed by law to administer such drugs. Provided that this term  
 8 shall not mean any controlled dangerous substance as defined in  
 9 this subheading.

10 (b) Dispensed only on prescription: Any drug which bears a cau-  
11 tionary label warning against dispensing without a prescription  
12 under Federal law shall be dispensed only:

13 (i) Upon the written prescription of a practitioner licensed by  
14 law to administer such drugs, or

15 (ii) Upon the oral prescription of such practitioner, which shall  
16 be reduced to writing and filed by the pharmacist, or

17 (iii) By refilling any such written or oral prescription if such  
18 refilling is authorized by the prescriber, either in the original pre-  
19 scription or by oral direction. Such authorization must be reduced  
20 to writing and filed by the pharmacist.

21 (c) Label required: Any prescription drug dispensed by filling or  
22 refilling a written or oral prescription of a practitioner licensed  
23 by law to administer such drugs shall in addition to any require-  
24 ments of the Department or Federal law bear a label containing  
25 the name and address of the dispenser, the serial number and date  
26 of the prescription, the name of the prescriber, and, if stated in  
27 the prescription, the name and address of the patient, and the direc-  
28 tions for use as contained in the written or oral prescription.

29 (d) Exempt sales: The provisions of this subheading shall not  
30 apply to sales of dangerous drugs made to registered practitioners  
31 of pharmacy, medicine, dentistry, or veterinary medicine, or to sales  
32 made by any manufacturer, wholesale druggist, or licensed phar-  
33 macist to another manufacturer, wholesale druggist, or licensed  
34 pharmacist or to a hospital or institution operating a dispensary  
35 in which a practitioner licensed by law to administer prescription  
36 drugs is in charge, providing records of such sales are maintained,  
37 and available for inspection, showing date of sale, name and address  
38 of purchaser, and quantity purchased.

39 (e) Applicability of subheading advertising drugs:

40 (i) Generally the provisions of this section shall apply to the  
41 sale by any manufacturer, wholesale druggist, retail pharmacist,  
42 or jobber of prescription drugs, to any person, other than those  
43 legally qualified and authorized to purchase and hold same for  
44 use or resale, and to any practitioner's assistant who is not legally  
45 licensed to administer dangerous drugs.

46 (ii) Advertising: No person shall be permitted to advertise through  
47 any media other than a professional or trade publication any con-  
48 trolled dangerous drug or prescription drug by either its "trade  
49 name" or by its generic or formulary name.

1 (f) Treatment or cure of farm animals, etc.: The provisions of  
2 this subsection shall not apply to the distribution of prescription  
3 drugs, as defined in this section, devices or supplies of any kind  
4 whatsoever for the treatment, care or cure of farm animals, poultry,  
5 fowl, or other animals used in furtherance of farming activities,  
6 providing further that the provisions of this subheading shall not  
7 apply to the sale or offering for sale, or distribution of seeds, feed  
8 for livestock and poultry, fertilizers, lime, land plaster, fungicides  
9 and insecticides, nor to apply to any drug which on June 1, 1961,  
10 may be sold without a prescription.

11 (g) Rules and regulations: The Department is hereby authorized  
12 to promulgate necessary regulations and interpretations, not incon-

13 sistent with law, for the administration and enforcement of this  
14 section.

15 (h) Penalty: Any person who violates any of the provisions of  
16 this section, or refuses, neglects or fails to comply with the pro-  
17 visions and requirements thereof, or who obtains or possesses a  
18 dangerous drug in violation of this section, shall be deemed guilty  
19 of a misdemeanor and upon conviction thereof shall be fined not  
20 more than one thousand dollars (\$1,000) and or imprisoned for not  
21 more than two (2) years, or both.

22 (i) Fraudulently compounding or selling PRESCRIPTION drugs,  
23 ~~AND~~ CONTROLLED DANGEROUS SUBSTANCES, medicines,  
24 etc.: Any person or corporation engaged in the business of selling  
25 PRESCRIPTION drugs, ~~AND~~ CONTROLLED DANGEROUS SUB-  
26 STANCES, medicines, chemicals or preparations for medical use or  
27 of compounding or dispensing physicians' prescriptions, who shall,  
28 in person or by his or its agents or employees, or as agent or em-  
29 ployee of some other person, knowingly sell or deliver to any person  
30 a drug, medicine, chemical preparation for medicinal use, recognized  
31 or authorized by the latest edition of the United States Pharma-  
32 copoeia, or prepared according to the private formula of some indi-  
33 vidual or firm, other or different from the PRESCRIPTION drug,  
34 ~~AND~~ CONTROLLED DANGEROUS SUBSTANCES, medicine, chemical  
35 or preparation, ordered or called for by such person, or  
36 called for in a physician's prescription, shall be guilty of a misde-  
37 meanor, and upon conviction thereof shall be punished by a fine of  
38 not less than one hundred dollars nor more than five hundred dollars,  
39 or by not less than one month nor more than twelve months' impris-  
39a onment, or by both, and any person so convicted shall forfeit the  
39b right to practice pharmacy under any certificate or registration  
39c issued under the laws of this State.

40 (j) Unsolicited mailing of certain PRESCRIPTION drugs, ~~AND~~  
41 CONTROLLED DANGEROUS SUBSTANCES, MEDICINES, ETC.  
42 prohibited; penalty exceptions: It shall be unlawful for any person,  
43 persons, firm or corporation to mail any PRESCRIPTION drug,  
44 ~~AND~~ CONTROLLED DANGEROUS SUBSTANCES, MEDICINES,  
45 ETC. as defined in this subheading or by bulk mailing to "Resident,"  
46 "Occupant," or to a named addressee who has not requested that  
47 such PRESCRIPTION drug, ~~AND~~ CONTROLLED DANGEROUS  
48 SUBSTANCES, MEDICINES, ETC. be mailed to him. Any person,  
49 or if a firm or corporation, it and all its agents, who shall violate  
49a any of the provisions of this subsection shall be deemed guilty  
50 of a misdemeanor, and upon conviction thereof, shall be punished  
51 by a fine not to exceed five hundred dollars (\$500.00), or by impris-  
52 onment in jail not to exceed six months, or by both fine and impris-  
53 onment. The provisions of this subsection shall not apply to the mail-  
54 ing of any drugs to those persons, institutions or corporations who  
55 under the laws of Maryland are permitted to disburse, prescribe or  
56 administer such drugs.

1 301. Smelling or inhaling certain harmful substances which intoxi-  
2 cate or dull the brain or nervous system; penalty:

3 (a) It is unlawful for any person to deliberately smell or inhale  
4 such excessive quantities of any drugs, or any other noxious sub-  
5 stances or chemicals containing any ketones, aldehydes, organic



## EXHIBIT 2—Continued

30

## SENATE BILL NO. 883

6 acetates, ether, chlorinated hydrocarbons, or any other substances  
 7 containing solvents releasing toxic vapors, as cause conditions of  
 8 intoxication, inebriation, excitement, stupefaction or dulling of the  
 9 brain or nervous system. This section applies with particularity to  
 10 fingernail polish, model airplane glue, or any other substance or  
 11 chemical which has the aforementioned effect upon the brain or  
 12 nervous system when smelled or inhaled; provided, that nothing in  
 13 this section shall be interpreted as applying to the inhalation of any  
 14 anaesthesia for medical or dental purposes, and further provided,  
 15 that nothing in this section shall be interpreted as applying to the  
 16 controlled dangerous substances as defined in this subheading.

17 (b) Any person violating this section shall be guilty of a mis-  
 18 demeanor, and upon conviction thereof, shall be fined not more than  
 19 fifty dollars (\$50.00).

20 (i) It is unlawful for any person to give away or otherwise to  
 21 divulge to a person or persons not engaged in such research and  
 22 study for the Authority, any of such records, reports, statements,  
 23 notes, or other information which name or otherwise identify any  
 24 person or persons. Any person who violates any provision of this  
 25 subheading is guilty of a petty offense and upon conviction shall be  
 26 fined not more than fifty dollars (\$50.00).

27 (ii) Access to and use of any such records, reports, statements,  
 28 notes, or other information also are protected and regulated by the  
 29 provisions of Section 101 of Article 35 and Section 10 of Article 75C  
 30 of this Code, as amended from time to time.

31 (c) Nothing in this section applies to or restricts the use as pub-  
 32 licizing statistics, data or other material which summarize or refer  
 33 to any such records, reports, statements, notes or information in the  
 34 aggregate and without referring to or disclosing the identity of any  
 35 individual person or persons.

1 302. Miscellaneous:

2 (a) Prosecutions for any violation of law occurring prior to the  
 3 effective date of this subheading shall not be affected by these  
 4 repealers or amendments, or abated by reason thereof.

5 (b) Civil seizures or forfeitures and injunctive proceedings com-  
 6 menced prior to the effective date of this Act shall not be affected  
 7 by these repealers or amendments, or abated by reason, thereof.

8 (c) All administrative proceedings pending before the Depart-  
 9 ment on the effective date of this enactment shall be continued and  
 10 brought to final determination in accord with laws and regulations  
 11 in effect prior to the date of this enactment. Such drugs placed  
 12 under control prior to enactment of this Act which are not listed  
 13 within Schedules I through IV shall automatically be controlled  
 14 and listed in the appropriate schedule.

15 (d) The provisions of this subheading shall be applicable to vio-  
 16 lations of law, seizures and forfeiture, injunctive proceedings, ad-  
 17 ministrative proceedings and investigations which occur following  
 18 its effective dates.

19 (e) Any orders, rules, and regulations which have been promul-  
 20 gated under any law affected by this subheading which are in  
 21 effect on the day preceding enactment of this subheading shall con-



## EXHIBIT 2—Continued

SENATE BILL NO. 883

31

22 *tinue in effect until modified, superseded or repealed by the Depart-*  
 23 *ment.*

24 *(f) This Act may be cited as the Uniform Controlled Dangerous*  
 25 *Substances Act.*

26 (G) THE MUNICIPAL COURT OF BALTIMORE CITY SHALL  
 27 HAVE CONCURRENT JURISDICTION WITH THE SUPREME  
 28 BENCH OF BALTIMORE CITY TO HEAR AND DETERMINE  
 29 ANY ALLEGED VIOLATION OF ANY PROVISION OF THIS  
 30 SUBHEADING WHICH DOES NOT AMOUNT TO A FELONY,  
 31 UNLESS EITHER THE STATE OR THE DEFENDANT SHALL  
 32 PRAY A JURY TRIAL.

1 SEC. 2. *And be it further enacted,* That all laws or parts of  
 2 laws, public general or public local, inconsistent with the provisions  
 3 of this Act, are repealed to the extent of the inconsistency.

1 SEC. 3. *And be it further enacted,* That if any provision of this  
 2 Act or the application thereof to any person or circumstance is  
 3 held invalid for any reason, the invalidity shall not affect the other  
 4 provisions or any other application of this Act which can be given  
 5 effect without the invalid provisions of this Act are declared to be  
 6 severable.

1 SEC. 4. *And be it further enacted,* That this Act shall take effect  
 2 July 1, 1970.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.

Mr. PERITO. Sergeant Mazzone, what are the other commonly used packaging materials that are frequently employed in the packaging of heroin in Baltimore and surrounding areas, that is, in addition to the gelatin capsules that you previously mentioned?

Mr. MAZZONE. In addition to the gelatin capsules, it is popular to package heroin in glassine envelopes. However, the capsules are the package of choice.

However, and especially since July 1, 1970, we are finding that they are making or they are devising homemade packaging materials, such as the aluminum foil, the plastic bag, or baggi, pieces of newspaper, and just about anything imaginable. But the way our law is written and under the certain circumstances it is possible to make a charge for possession of controlled paraphernalia even for these items.

Mr. PERITO. In other words, under the Maryland statute as it presently operates, even if a new and creative packaging device could be devised by a trafficker, the statute is broad enough to encompass that new type of package; is that correct?

Mr. MAZZONE. Yes, sir. You could also include regular envelopes and manila envelopes, which are popular and, of course, the way our law is written it makes it a violation not only to use these or possess them to be used for heroin. The way our law is written it would also make it a violation to possess or distribute these containers for the purpose of packaging any controlled dangerous substance, which would include such things as marihuana, hashish, LSD, and so forth.

Mr. PERITO. Have you had occasion to effect additional arrests under the new Maryland statute and seize materials other than those which you have mentioned?

Mr. MAZZONE. Yes, we have seized the glassine or the plastic baggies, the rolls of tinfoil and pieces of tinfoil cut to certain sizes and shapes, ties along with the plastic baggies, pieces of newspaper cut to a certain size and shape, manila and white envelopes. Of course, in most instances these items are accompanied by certain materials and items.

Mr. PERITO. Have you ever had occasion to effect an arrest in which you found bank envelopes used to package heroin?

Mr. Massone. Yes, sir.

Mr. PERITO. Could you tell us about that situation?

Mr. MAZZONE. There was one instance where, of course, our undercover man was able to purchase in this instance marihuana, a controlled dangerous substance in a bank envelope or he made several purchases, and the suspects were packaging the marihuana in a bank envelope, and they at the time of the arrest, we executed a search and seizure warrant and in fact, seized a couple of boxes of manila envelopes containing a couple of thousand regular bank envelopes.

Under the circumstances, that is the purchase of the controlled dangerous substance in that particular type envelope and under the circumstances of the seizure, that is in the close proximity to the controlled dangerous substance, in that instance, marihuana, and the strainer, and the scale that was accompanying the envelopes, we were able to make the charge of possession of controlled paraphernalia in that instance. We had similar instances with baggies and tinfoil.

Mr. PERITO. Have you ever had occasion to make a seizure or an arrest where you found that cigarette paper was being used to package dangerous drugs?

Mr. MAZZONE. Yes, but not heroin, but it is very popular, of course, to roll one's marihuana cigarette and there are a couple of brands of cigarette wrapping paper that are used on the streets today.

We have not yet effected an arrest but our law, the way it is written, would possibly be able to be used under the right circumstances in making a charge for possession of these cigarette wrapping papers. Again, under the right circumstances as the law is written, it would be possible to make a charge for possession of those because they are wrapping papers and, of course, prior to July 1 we had no such law.

Mr. PERITO. As you understand your responsibilities as a law enforcement officer under the new Maryland statute, can you effect an arrest or seizure when you find packaging materials and adulterants alone and not in close proximity to heroin, or must you find those packaging materials, adulterants, and diluents in close proximity to narcotics or narcotics cutting materials and/or a plant?

Mr. MAZZONE. We should, the way our law is written, seize these packaging materials in close proximity. Our law says, has this sentence:

Evidence of such circumstances shall include, but not be limited to, close proximity of any such controlled paraphernalia to any adulterants or equipment commonly used in the illegal manufacture and distribution of controlled dangerous substances, such as but not limited to, any of the following: Scales, sieves, strainers, measuring spoons, staples and staplers, or procaine, hydrochloride, mannitol, lactose, quinine or any controlled dangerous substance.

Mr. PERITO. What is procaine hydrochloride used for?

Mr. MAZZONE. It is an adulterant also. It would be possible, however, I would suppose, to make a charge of possession of controlled paraphernalia even if these substances were not seized in close proximity if in fact, your undercoverman had made a purchase in a similar type container and they did, in fact have some conversation with the undercoverman.

Mr. PERITO. Have you ever had occasion to seize, at a heroin cutting plant, playing cards or phonograph records which are encased in cellophane jackets?

Mr. MAZZONE. Yes, sir.

Mr. PERITO. Could you explain to the committee what those articles are used for in the heroin cutting process?

Mr. MAZZONE. It is very popular in a cutting house to use the playing card or similar type record container. As heroin is placed out on the flat surface and the cutting material is added, it is sort of chopped up and mixed with the playing card, which is very popular, especially the playing card.

Mr. PERITO. Could you explain the relationship between narcotics trafficking in the Baltimore area and such trafficking in Washington and its surrounding areas, based upon your knowledge and experience as a detective and undercover agent?

Mr. MAZZONE. Well, they are somewhat different. There are certainly connections, we are able to show connections between the Baltimore and Washington areas. But it appears that the Baltimore, the source of supply for the Baltimore area is in fact, New York and the source of supply for the Washington area is in fact, New York.



They do have connections and associates. But they are somewhat separate in their operations.

Mr. PERITO. Mr. Chairman, I have no further questions.

Mr. PEPPER. Mr. Waldie, any questions?

Mr. WALDIE. No questions.

Mr. PEPPER. Mr. Wiggins?

Mr. WIGGINS. Yes, sir.

To your knowledge, have there been any convictions under your statute as yet?

Mr. MAZZONE. No, sir. We are awaiting trial on all of our cases where we made this charge.

Mr. WIGGINS. Have there been any pleas of guilty?

Mr. MAZZONE. No, sir, not yet.

Mr. WIGGINS. Your statute is drafted in such a way as to make it illegal to possess paraphernalia and to require evidence that this benign substance, a little capsule is being used illegally. Let us assume that a pharmacist is selling these in million lot quantities but he does not participate in cutting of heroin, or the packaging, of capsules. He simply possesses them in great quantities. Is it your view that such possession standing alone is sufficient to get a conviction under your statute?

Mr. MAZZONE. No, sir.

Mr. WIGGINS. Do you deem that to be a weakness in your statute?

Mr. MAZZONE. Yes, sir. I can see from what I know about the pharmacy business, even though I am certainly not trained in that field, it is a very rare occasion for a pharmacist to use a large quantity of empty capsules. Just last night I was talking to a pharmacist and a man who is well known in the Baltimore area, and he says a pharmacy that is very busy would use probably less than a thousand a year. So, I can see that it might be possible or at least, it should be thought about, at least considering the possession of such paraphernalia, even by pharmacists, under certain circumstances as a violation.

Mr. PERITO. Well, I gather then if language were appropriately drafted to improve or enlarge the scope of the statute to indicate that evidence of an intention to distribute such paraphernalia or use such paraphernalia illegally should include language relating to possession of inordinate amounts of paraphernalia beyond the general needs of commerce and business?

Mr. MAZZONE. Yes, sir.

Mr. WIGGINS. That is all, Mr. Chairman.

Mr. PEPPER. Mr. Steiger?

Mr. STEIGER. I just have one or two questions, Mr. Chairman.

Mr. MAZZONE, do you know, is the traffic in Baltimore and Washington under the general control and supply of what we refer to as organized crime?

Mr. MAZZONE. Yes, in this sense. The traffic in the Baltimore area is handled by a certain few. These people are certainly not—they are organized in their own right. They are definitely connected with organized crime, as we all know it in the New York area. But when it gets to the Baltimore area it is its own organization. It is not controlled by the New York people, only to the point that they are the source of supply.

Mr. STEIGER. Is the same thing true of Washington?



Mr. MAZZONE. I would suppose, sir. I am not as familiar with the metropolitan area of Washington itself.

Mr. STEIGER. Have you any knowledge or reason to believe that Baltimore is the province of a specific New York family member of organized crime?

Mr. MAZZONE. It is not the province but it is closely associated with—

Mr. STEIGER. With one family?

Mr. MAZZONE. Yes, sir.

Mr. STEIGER. Do you know what that family is?

Mr. MAZZONE. I have the man's name that our man contacts.

Mr. STEIGER. It would be useful.

Mr. MAZZONE. If you will bear with me for just a second, sir.

We know that one of the principal suppliers in the Baltimore area contacts a Victor Lugo at 1985 Darby, I do not know whether it is street or avenue, apartment 1 in New York City. We have other names in New York.

Mr. STEIGER. Have you any indication that the New York supplier of the bulk narcotic has ever been asked or has ever furnished leads as to where the dealer might get paraphernalia in his immediate area? Has that sequence ever developed in your investigation?

Mr. MAZZONE. Yes, sir. In our investigations we can show that the New York, or we cannot show that the New York man gave this information. We can show that the Baltimore man gave out such information.

Mr. STEIGER. To his pushers?

Mr. MAZZONE. To his people.

Mr. STEIGER. Or whatever terminology?

Mr. MAZZONE. Yes, sir.

Mr. STEIGER. You do not have that same information for the Washington area, of course.

Mr. MAZZONE. No, sir.

Mr. STEIGER. Thank you, Mr. Chairman.

Mr. PEPPER. Mr. Mazzone, from what we heard here from you and Mr. Livingston, there seems to be a close cooperation between the law enforcement officials in this field in Pennsylvania, Maryland, and Baltimore, is that true?

Mr. MAZZONE. Yes, sir, we found the only way we have been able to combat any of these violations or try to make a dent in them is try to work together. The violators know no boundaries.

Mr. PEPPER. Does the District of Columbia have the same relationship of cooperation with Baltimore and Pennsylvania?

Mr. MAZZONE. Yes, sir. We in the State police, at least have worked with the Metropolitan Police Department. We find ourselves, especially the undercovermen working in the Metropolitan Washington area and they are purchasing heroin on the streets, and they get in a car with a suspect and they wind up in Washington, D.C. We have a very good relationship with the Metropolitan Police Department and have, in fact, gone ahead and made the purchase in the District of Columbia, supplying the Metropolitan Police Department with the information and they effect the arrest at a later date. This has happened coming this way, too; that is, coming from the District of Columbia into Maryland.

However, the supply is on the District of Columbia side generally, and it generally goes the other way.

Mr. PEPPER. The supply generally comes from the District?

Mr. MAZZONE. Yes, sir, into the counties of Maryland.

Mr. PEPPER. Now, what is the source of the heroin that generally comes into Maryland? If you know.

Mr. MAZZONE. Well, in the Baltimore metropolitan area the source is New York City.

Mr. PEPPER. That is your principal source.

Mr. Livingston said the Pennsylvania source was largely Baltimore.

Mr. MAZZONE. Yes, sir.

Mr. PEPPER. You say the Baltimore source is largely from New York.

Mr. MAZZONE. Yes, sir; it apparently comes down from New York to the Baltimore area and from the Baltimore area up to at least in the Harrisburg area.

Mr. PEPPER. Do you have any information of the source of the heroin that comes into the District of Columbia?

Mr. MAZZONE. Only information. I have not really worked that end of it but I am familiar with some recent arrests in the District of Columbia area, and apparently it is coming from New York.

Mr. PEPPER. New York.

Any other questions? If not, thank you very much, Mr. Mazzone. We appreciate your coming.

Our next witness is Mr. Leonard S. Cohen.

Mr. Cohen, will you come forward, please.

The committee will come to order, please.

You are Mr. Cohen?

#### **STATEMENT OF LEONARD S. COHEN, OWNER AND OPERATOR, SENATE DRUGSTORE, HARRISBURG, PA.**

Mr. COHEN. Yes, sir.

Mr. PEPPER. Our next witness is Mr. Leonard S. Cohen. Mr. Cohen, will you stand and raise your right hand, please.

Do you, Mr. Cohen, solemnly swear that the testimony you are about to give before the House Select Committee on Crime will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. COHEN. Yes, sir.

Mr. PEPPER. Please take your seat.

Mr. Leonard S. Cohen, who has just been sworn as our next witness, is the owner and operator of the Senate Drugstore in Harrisburg, Pa. Mr. Cohen is a licensed pharmacist. He appears today under a subpoena of the Select Committee on Crime.

Mr. COHEN. Thank you.

Mr. PEPPER. Mr. Cohen, are you aware of the fact that you are entitled to be accompanied by counsel if you desire to have counsel with you while you are testifying?

Mr. COHEN. Yes, sir.

Mr. PEPPER. You have not chosen to have counsel?

Mr. COHEN. Yes, sir.

Mr. PEPPER. All right, Mr. Perito, our chief counsel, will conduct the inquiry.

Mr. PERITO. Mr. Cohen, I want to advise you that you are testifying at a public hearing before an authorized committee of the U.S. Congress. I want further to advise you that the House Select Committee on Crime, before whom you are appearing today, is conducting a continuing investigation and taking testimony concerning the nationwide problem of heroin trafficking and dangerous drugs in the United States. In this hearing particularly, our inquiry is centered upon the Greater Washington area. The committee is investigating, among other things, the possibility of a new Federal and/or District statute to regulate and/or control the manufacture, sale, distribution and/or transfer of narcotics cutting materials, including but not limited to paraphernalia, adulterants, and diluents. If, in your considered judgment, a truthful answer to any question which I, or a member of the committee, asks you, might tend to incriminate you, you have a constitutional right to refuse to answer that question on that basis; do you understand that, sir?

Mr. COHEN. Yes, sir.

Mr. PERITO. Mr. Cohen, you presently operate a pharmacy in Harrisburg; is that right, sir?

Mr. COHEN. That is correct.

Mr. PERITO. And you are a registered pharmacist.

Mr. COHEN. Yes, sir.

Mr. PERITO. And you are registered as a pharmacist by the Commonwealth of Pennsylvania.

Mr. COHEN. Right.

Mr. PERITO. When did you receive that registration; how many years ago?

Mr. COHEN. In 1937.

Mr. PERITO. Is the name of your drugstore the Senate Drugstore?

Mr. COHEN. The Senate Drugstore. I was connected with the Senate Drugstore from 1940 to the present time.

Mr. PERITO. Where in Harrisburg is the Senate Drugstore located?

Mr. COHEN. The Senate Drugstore was at Third and North Streets at the time that I went in partnership with another fellow in the drugstore and it was there until January—until December 31, 1963. From January 1 I moved the Senate Drugstore to Third and Boss Streets, where it is at the present time.

Mr. PERITO. Do you make your home in Harrisburg?

Mr. COHEN. Yes, sir.

Mr. PERITO. Where is your home located in Harrisburg?

Mr. COHEN. At 321 Seneca Street.

Mr. PERITO. Is the Senate Drugstore a corporation?

Mr. COHEN. No, sir.

Mr. PERITO. It is a company.

Mr. COHEN. No, sir. I own it personally.

Mr. PERITO. It is a single proprietorship?

Mr. COHEN. Yes, sir.

Mr. PERITO. Do you have another pharmacist working for you?

Mr. COHEN. Yes, sir.

Mr. PERITO. Working full time?

Mr. COHEN. Yes, sir.



Mr. PERITO. What are your normal hours of business?

Mr. COHEN. Normally from 8 a.m. to about 9 p.m., but at the present time it is from 8 a.m. to 7 p.m.

Mr. PERITO. And are you open on Saturdays and Sundays?

Mr. COHEN. We are open on Saturdays and Sundays from 8 to 5.

Mr. PERITO. I assume that you run your pharmacy business from your drugstore, and not from your home.

Mr. COHEN. Right.

Mr. PERITO. Let me take you back a moment, how long have you employed this additional pharmacist at your drugstore?

Mr. COHEN. About 20 years.

Mr. PERITO. How many other employees do you have working in the drugstore?

Mr. COHEN. The girls back at the fountain and the cashier and they come and go. They are kind of fluid but there is nobody who handles drugs.

Mr. PERITO. So basically just you and the other pharmacist run the business; is that correct?

Mr. COHEN. Right.

Mr. PERITO. Now, Mr. Cohen, do you compound many prescriptions?

Mr. COHEN. Yes, sir.

Mr. PERITO. A substantial number of prescriptions?

Mr. COHEN. Yes, sir.

Mr. PERITO. Could you give us an average of the prescriptions you compound?

Mr. COHEN. We run anywhere from about 30 to 70 a day.

Mr. PERITO. Thirty to seventy a day. And in the process of compounding those prescriptions how often do you use No. 5 gelatin capsules?

Mr. COHEN. Very, very seldom.

Mr. PERITO. Approximately how many empty capsules would you use a year?

Mr. COHEN. Can I answer your question in another way, if I might?

Mr. PERITO. I would prefer, sir, if you would kindly answer the question which I put to you and then make—

Mr. COHEN. I am going to say none then.

Mr. PERITO. So you never use empty gelatin capsules?

Mr. COHEN. That is right.

Mr. PERITO. In compounding prescriptions.

Mr. COHEN. That is right.

Mr. PERITO. Most of the time you dispense drugs which come to you readymade.

Mr. COHEN. Or we make up, whatever the doctor calls for us.

Mr. PERITO. In making those prescriptions up, you seldom use No. 5 gelatin capsules?

Mr. COHEN. No, sir; not No. 5, they are too small to handle.

Mr. PERITO. They are too difficult to fill?

Mr. COHEN. That is right.

Mr. PERITO. Mr. Cohen, directing your attention to the year ending December 31, 1969, how many gelatin capsules did you purchase during that year?

Mr. COHEN. In 1969, I purchased 310,000 clear and 67,000 pink.



Mr. PERITO. You are now referring, sir, to your invoice records; is that correct?

Mr. COHEN. That is right.

Mr. PERITO. And you brought those records to the hearing as a result of the subpoena which was previously served on you.

Mr. COHEN. Yes, sir.

Mr. PERITO. Directing your attention to this year, 1970, to date, how many empty gelatin capsules did you order?

Mr. COHEN. 874,000 clear and 228,000 pink.

Mr. PERITO. Now were those all No. 5 empty gelatin capsules?

Mr. COHEN. That is what I am talking about; yes, sir.

Mr. PERITO. And were there any capsules that you ordered but did not receive? Did you order any capsules from Brenner & Sons but did not receive them?

Mr. COHEN. There were some ordered that they hadn't filled. I am talking about what they filled and gave me invoices for.

Mr. PERITO. Does the figure 660,000 refresh your recollection?

Mr. COHEN. It is possible.

Mr. PERITO. Now, going back to the year ending December 31, 1969, how much quinine hydrochloride did you order?

Mr. COHEN. None.

Mr. PERITO. And during 1970, to date, how much quinine did you order?

Mr. COHEN. I bought 34 ounces of quinine sulfate, and 162 ounces of quinine hydrochloride.

Mr. PERITO. Now, based on your experience as a pharmacist, what is quinine hydrochloride normally used for?

Mr. COHEN. We hardly ever use it. For capsules we sell in the store we use the quinine sulfate because it is a fluffier powder and it is a lot easier to make capsules out of it.

Mr. PERITO. Now, directing your attention back to 1969, how much lactose did you buy?

Mr. COHEN. Twelve pounds.

Mr. PERITO. And in 1970 to date, how much lactose did you buy?

Mr. COHEN. Seventy pounds.

Mr. PERITO. Directing your attention back to the No. 5 gelatin capsules, your purchases went from 375,000 to close to 1,200,000; is that correct?

Mr. COHEN. That is correct.

Mr. PERITO. Was that the result of a sustained sales campaign which you personally conducted?

Mr. COHEN. I had no sales campaign.

Mr. PERITO. Now, directing your attention to the lactose sales, you went from less than 20 pounds to 70 pounds.

Mr. COHEN. That is correct.

Mr. PERITO. And I assume, in that instance, there was no sustained sales campaign either.

Mr. COHEN. Well, lactose, there is always some use of on prescriptions because people take it for other reasons.

Mr. PERITO. What about bulk sales?

Mr. COHEN. I only handle lactose in pound cans but I was getting requests from people for pound cans, and because it was lactose and it can be bought in almost any grocery store also, I sold it.

Mr. PERITO. Now, directing your attention to your quinine hydrochloride purchases, you testified you made no such purchases in 1969?

Mr. COHEN. That is right.

Mr. PERITO. And in 1970 you purchased how much quinine?

Mr. COHEN. 196 ounces altogether.

Mr. PERITO. What were you paying the wholesaler in Harrisburg to purchase quinine hydrochloride in bulk?

Mr. COHEN. Roughly about \$4.50 an ounce.

Mr. PERITO. How much were you selling that quinine for to bulk purchasers?

Mr. COHEN. Anywhere from 15 to 20 dollars an ounce.

Mr. PERITO. Now, insofar as your sales of the gelatin capsules were concerned, what were you paying the distributor for the empty No. 5 gelatin capsules?

Mr. COHEN. The regular price I think is two something a thousand.

Mr. PERITO. Two something a thousand and how much were you receiving from the bulk purchasers for those gelatin capsules?

Mr. COHEN. Anywhere from \$8 to \$9 a thousand.

Mr. PERITO. So your profit was around 400 percent.

Mr. COHEN. Right.

Mr. PERITO. You normally work in the drugstore at a markup of around 40 percent?

Mr. COHEN. About 30 would be more like it.

Mr. PERITO. So, if 30 percent is your usual profit margin, then the sale of gelatin capsules at 400 percent profit is an appreciable increase; isn't it?

Mr. COHEN. Yes, sir. Yes, sir.

Mr. PERITO. What was the markup you were making on the resale of lactose?

Mr. COHEN. I didn't work on any particular markup. Could I explain something to you?

Mr. PERITO. Yes, sir.

Mr. COHEN. About 25 years ago in the city of Harrisburg, one of the detectives and one of the doctors came to me, they had a problem with people who were packaging heroin, and they needed capsules for it, and they asked me if I would stock it in thousands and sell it to them until they found out who it was who used it. So for a period of 3 or 4 months we sold about 15,000 or 20,000 in boxes of a thousand only, and they cleaned house and then we had no problem for the next 25 years.

In the beginning of 1969 people started coming in the store and asking me for No. 5 empty gelatin capsules. I had about four or five boxes that were left over from about 25 years ago, and I contacted the Harrisburg Police Department at the time, told them I was getting requests for it and asked them what they wanted me to do about it. He said, "sell them and we will see what we can do." So instead it just grew and when it grew heavier I called the detective, Favasuli, who was with the Harrisburg Police Department, and I told him that they were ordering it in larger boxes. They wanted boxes of 5,000.

So we agreed between us that I would get it but instead of making them come into the store for it I was going to keep it at home and let them pick it up in the house as it would be easier for them to trace the people leaving the house, and during the past year, this just

grew from that. But I never tried to establish a sales pitch to sell empty capsules.

Mr. PERITO. Did you advise this city detective every time you received a call from——

Mr. COHEN. I advised him every time I got requests for large amounts.

Mr. PERITO. Did he make any arrests as a result of this information which you allegedly conveyed to him?

Mr. COHEN. Not during the past year or so that I know about. If he did he didn't tell me because I——

Mr. PERITO. As a matter of fact this detective is a friend of yours, isn't he?

Mr. COHEN. No more than anybody else is, not a personal friend, no, sir.

Mr. PERITO. You saw him over the years occasionally?

Mr. COHEN. He would stop in the store every time they were collecting on something.

Mr. PERITO. And so, to your knowledge, you know of no arrests or investigations which the Harrisburg Police Department effected as a result of this information you allegedly gave them?

Mr. COHEN. Not that I know about personally, no, sir.

Mr. PERITO. Did Detective Favasuli tell you what price you should charge for the resale of gelatin capsules and quinine hydrochloride?

Mr. COHEN. No, sir.

Mr. PERITO. The price you set was your own price?

Mr. COHEN. Yes, sir. And in fact a little over a year ago I even gave him a phone number of somebody who was coming in from Baltimore, and he sent that to the Baltimore Police Department.

Mr. PERITO. What do you estimate your profit was in 1970 on all the No. 5 empty gelatin capsules that you sold?

Mr. COHEN. Close to about \$6,000 or \$7,000, I imagine.

Mr. PERITO. What about your profit on the quinine and lactose?

Mr. COHEN. It would be about \$1,500 or so.

Mr. PERITO. Could you tell this committee how you went about contacting your prospective purchasers?

Mr. COHEN. Except for the one phone number where I was supposed to call the fellow when I got an order of capsules in, I didn't contact anybody, they contacted me.

Mr. PERITO. Did the purchasers come to your store and pick them up?

Mr. COHEN. No, they came to the house to pick them up because I don't stock them at the store.

Mr. PERITO. You kept the empty capsules at your home?

Mr. COHEN. No, sir.

Mr. PERITO. What time did the purchasers come?

Mr. COHEN. At all hours. They would call on the phone or ring the bell.

Mr. PERITO. Was that a departure from your normal business practices?

Mr. COHEN. Well, I was never home until 9 o'clock in the evening.

Mr. PERITO. Did you sell capsules at 3 a.m. or 4 a.m. in the morning?

Mr. COHEN. No, sir; the only reason I did that was because that is what I agreed to do with Detective Favasuli.



Mr. PERITO. So you told Detective Favasuli every time you received a call from this fellow requesting——

Mr. COHEN. It wasn't just one fellow. There were a lot of different people, sir.

Mr. PERITO. Did you ever ask Detective Favasuli why it was that he wasn't effecting any arrests as a result of the information you were giving him?

Mr. COHEN. I asked him that one time and he told me that in Pennsylvania there was no law, there was nothing that he could do except to see where they took them and since they were taking them out of State he contacted the Baltimore Police Department.

Mr. PERITO. And so you felt safe in what you were doing.

Mr. COHEN. Yes, sir.

Mr. PERITO. Would you tell this committee why you sold empty gelatin capsules to these different purchasers?

Mr. COHEN. For the same reason that I did it 25 years ago. If we were going to catch a bunch of people who were selling heroin illegally then it would be something to help the detectives to clear it up.

Mr. PEPPER. Mr. Cohen.

Mr. COHEN. Yes, sir.

Mr. PEPPER. Was this Detective Favasuli in the narcotics department?

Mr. COHEN. He was in charge of narcotics for the city of Harrisburg; yes, sir.

Mr. PEPPER. Did you ever talk to Mr. Livingston, the gentleman sitting right beside you, in this matter?

Mr. COHEN. I didn't meet Mr. Livingston until he came up to the house.

Mr. PEPPER. Did he come up to your house and discuss this matter with you?

Mr. COHEN. Yes, sir.

Mr. PEPPER. How long did you and he engage in conversation altogether?

Mr. COHEN. He was up to the house once. That was I think sometime in August. And then he picked me up at the house one time and took me down to the Maryland line where I talked to Sergeant Mazzone and some other gentlemen from the Maryland State Police.

Mr. PEPPER. Did you tell Mr. Livingston at the meetings you had with him, or Sergeant Mazzone in the meeting you had with him, about your selling these things because you thought you were helping the narcotics law enforcement officers?

Mr. COHEN. Yes, sir.

Mr. PEPPER. Did you tell that to Mr. Livingston?

Mr. COHEN. Yes, sir.

Mr. PEPPER. You told that to Mr. Mazzone also?

Mr. COHEN. Yes, sir.

Mr. PEPPER. You say you told this to—look around you, then, and see if that is Mr. Livingston to whom you told that.

Mr. COHEN. This is Mr. Livingston here.

Mr. PEPPER. Yes, and I believe Mr. Mazzone, there he is standing up back there; do you know him?

Mr. COHEN. Yes, sir.

Mr. PEPPER. You are saying that you told these gentlemen.



Mr. COHEN. With respect to when we were at the Maryland line, they didn't bring that up.

Mr. PEPPER. Wait a minute, I didn't ask you about that. Did you tell them that the reason you were selling these large quantities of these No. 5 gelatin capsules, lactose, and quinine, was because as you told this committee you advised this Detective Favasuli about it, and you had a feeling that maybe you were helping the enforcement of the law relative to heroin?

Mr. COHEN. I didn't tell Mazzone that; no, sir.

Mr. PEPPER. But did you tell Mr. Livingston that?

Mr. COHEN. Yes, sir.

Mr. PEPPER. The man sitting right behind you.

Mr. COHEN. Yes, sir.

Mr. PEPPER. Where were you when you told him that?

Mr. COHEN. In the parlor of my house the first time I talked to him.

Mr. PEPPER. When was that?

Mr. COHEN. Sometime in August, I don't remember the exact date.

Mr. PEPPER. Why did you happen to tell Mr. Livingston that?

Mr. COHEN. Mr. Livingston and Mr. Quinlan and another gentleman came up to the house and they wanted to talk to me because I had been buying so many capsules, and they wanted to know what I was doing with them, so I told them what I was doing with them.

Mr. PEPPER. What did you tell them? Before you tell us what was said, who else was present at the time?

Mr. COHEN. Mr. Livingston, Mr. Quinlan.

Mr. PEPPER. Mr. Quinlan.

Mr. COHEN. He works with Mr. Livingston.

Mr. PEPPER. Who was Mr. Quinlan, was he with Mr. Livingston?

Mr. COHEN. He was with Mr. Livingston.

Mr. PEPPER. All right, very well. Was anybody else present?

Mr. COHEN. And another gentleman who was with Mr. Livingston.

Mr. PEPPER. Do you remember his name?

Mr. COHEN. No, sir.

Mr. PEPPER. So these three gentlemen came to your house and asked you about this matter of your selling these large quantities of gelatin capsules?

Mr. COHEN. Right.

Mr. PEPPER. They asked you about your sales of these capsules and your sales of these cutting things for heroin.

Mr. COHEN. Right.

Mr. PEPPER. In the course of that conversation in your home, you told these gentlemen that you were doing this after consultation with someone in cooperation with Sergeant Favasuli.

Mr. COHEN. Right, sir.

Mr. PEPPER. So from the beginning, Mr. Cohen, you knew that you were really part of an operation that led to the sale of heroin to the addicts on the street somewhere in this country?

Mr. COHEN. I guess I will have to say "Yes" to that.

Mr. PEPPER. And you were making a profit of something like 400 percent on the deal.

Mr. COHEN. Yes, sir.

Mr. PEPPER. And your moral justification for these sales was that you informed Detective Favasuli as to what you were about to do, and that he encouraged you to do it?

Mr. COHEN. He didn't encourage me. He said he didn't care how many capsules I sold and whenever I got any information I turned it over to him to turn over to wherever he wanted it to go to.

Mr. PEPPER. Did you contact any other law enforcement officers outside of Detective Favasuli?

Mr. COHEN. No, sir; I did not.

Mr. PEPPER. Your sole contact was with this Detective Favasuli.

Mr. COHEN. Yes, sir.

Mr. PEPPER. Now this contact of yours lasted over part of 1969 and part of 1970.

Mr. COHEN. It started toward the end of 1969.

Mr. PEPPER. But during the course—when did it start?

Mr. COHEN. Well, the first big order of capsules that I had was, well, I bought 15,000, April 8 of 1969, and 25,000 on August 1, 1969.

Mr. PEPPER. All right, beginning in the summer of 1969—

Mr. COHEN. But the first big order I got was when I ordered 240,000; that was in October in 1969.

Mr. PEPPER. We are informed by Mr. Livingston that you bought 375,000 No. 5 gelatin capsules in 1969. Is that correct?

Mr. COHEN. Yes, sir.

Mr. PEPPER. And that in 1970 you first bought 1,271,000 and 1970 is not over. When did you cease your purchases in 1970?

Mr. COHEN. Well, the last order that I had was for 155,000 on August 11 and I haven't bought any since then.

Mr. PEPPER. So, during the first half of 1970 you bought 1,271,000 of these No. 5 capsules and you ordered another 617,000, but Mr. Livingston and the authorities didn't allow them to be delivered to you, so you ordered a total for the first half of this year—

Mr. COHEN. Well, the reason why they were ordered is when orders were given to me for certain amounts I put those orders in at Brenners for those amounts.

Mr. PEPPER. So that made a total of 1,888,000 that you ordered in 1970?

Mr. COHEN. Yes, sir.

Mr. PEPPER. Up to the first half of the year.

Mr. COHEN. Yes, sir.

Mr. PEPPER. Do you feel better about it now that you have quit, or why did you quit? Have you quit now?

Mr. COHEN. Yes, sir; because Mr. Livingston told me to.

Mr. PEPPER. Told you to quit?

Mr. COHEN. Yes, sir.

Mr. PEPPER. And so you haven't bought or sold any of these cutting materials, paraphernalia, since August.

Mr. COHEN. That is right.

Mr. PEPPER. Since Mr. Livingston told you to quit?

Mr. COHEN. That is right.

Mr. PEPPER. You feel a little bit better about it now that you have quit?

Mr. COHEN. No, sir.

Mr. PEPPER. Mr. Waldie do you have any questions?

Mr. WALDIE. Thank you Mr. Chairman. Have you notified Detective Favasuli that you have quit?

Mr. COHEN. No, sir; I haven't seen him.

Mr. WALDIE. Was it your understanding you were acting as an undercover agent in this whole affair?

Mr. COHEN. In a way, yes, sir, because otherwise I would not have been interested in doing it.

Mr. WALDIE. And that Detective Favasuli was the man who was instructing you as to what you should do, as this so-called undercover agent.

Mr. COHEN. Yes, sir.

Mr. WALDIE. How do you get in touch with him. It is strange you have not notified him that you no longer are performing that role. Is he difficult to get hold of?

Mr. COHEN. No. I generally call the Harrisburg City Hall number and ask for the detective division. And it is there I get hold of him.

Mr. WALDIE. How long have you been out of the business of being an undercover agent?

Mr. COHEN. The last time I talked to Detective Favasuli was when I called him up when a fellow brought a case of drugs into the store and wanted to sell them to me. And I called him up and told him that the fellow was going to bring in a case of drugs and I told him the fellow's name, who was going to bring it in and he had a warrant for him. So I asked him if he would please send detectives up to catch the fellow before they came into the store, and the next thing I knew the fellow walked into the store and he plops down a whole carton that had phenobarb in it, according to him, I didn't even look inside of it, and some reducing pills and some others and the detectives hadn't been there yet, and I tried to stall by filling prescriptions as much as I could, and then I gave the fellow the money that I was supposed to, but I marked the money first when I saw that the detectives were outside, and when the fellow walked out they caught him and they still have my \$30 down at city hall for that.

Mr. WALDIE. How long ago was that, Mr. Cohen?

Mr. COHEN. About a month ago.

Mr. WALDIE. Now, have you been in touch with Detective Favasuli since then?

Mr. COHEN. No, sir.

Mr. WALDIE. That was the last you were in touch with him.

Mr. COHEN. Yes, sir.

Mr. WALDIE. Has there ever been any money passed between you and Detective Favasuli?

Mr. COHEN. No, sir.

Mr. WALDIE. To assist you in the performance of your role?

Mr. COHEN. No, sir.

Mr. WALDIE. He has never given you marked money nor have you given him any money of any kind.

How many times during this period in which you and he were engaged in this joint enterprise were you in touch with him?

Mr. COHEN. Sometime every 2 months, sometime every 3 months. It depends on how the orders came in because when they gave me



orders for large amounts of capsules I would call and ask him what should I do about it.

Mr. WALDIE. And in every instance did he tell you just to sell them?

Mr. COHEN. He said he didn't care what I did so far as the empty capsules were concerned.

Mr. WALDIE. Well then, you weren't really acting as an undercover agent as far as the capsules were concerned as far as you were concerned.

Mr. COHEN. Except I told him somebody ordered them from me and they would be out to pick them up.

Mr. WALDIE. Did he ever ask you who was ordering, did he ever show up to find out who was picking them up? Apparently, he didn't care.

Mr. COHEN. Evidently.

Mr. WALDIE. That is your understanding, isn't it?

Mr. COHEN. That is right.

Mr. WALDIE. Isn't that what he told you that he didn't care?

Mr. COHEN. Yes.

Mr. WALDIE. If he didn't care why would you tell him?

Mr. COHEN. That is the way I started it, I guess.

Mr. WALDIE. I don't understand that. Once you told him, he said "I don't really care about those capsules" did you continue calling him whenever there was a large amount?

Mr. COHEN. To tell him whoever was picking them up; yes, sir.

Mr. WALDIE. I understood you to say earlier you had them picked up at your home because he suggested that.

Mr. COHEN. No, I suggested that to him because it would be easier to see somebody carrying a fairly large carton out of the house than it would be to carry a bag out of the store.

Mr. WALDIE. Of course, but he wasn't interested in that, was he?

Mr. COHEN. He didn't tell me in the beginning that he wasn't interested.

Mr. WALDIE. When you told him that you would have these transactions take place at your house, so that he could more easily trace them, did he say he was interested at that point?

Mr. COHEN. He didn't say one way or another really.

Mr. WALDIE. So you——

Mr. PEPPER. Excuse me just a minute, Mr. Waldie. We have just been honored by the entry into our hearing room of the distinguished chairman of the committee who has so graciously allowed us to use this hearing room, the Honorable George Miller of California, chairman of the Committee on Science and Astronautics. We appreciate your kindness very much, Chairman Miller in allowing our committee to use your hearing room.

Mr. MILLER. Very glad to be able to help you. I am sorry I can't stay here, but just in passing I wanted to look in.

Mr. WALDIE. Just two more questions: If Detective Favasuli was not interested in the capsules and told you he didn't care what you did about the sale of the capsules, was he interested in the quinine hydrochloride?

Mr. COHEN. He was interested in finding out who was using it and he was trying to find out if it was somebody in Harrisburg who was using it mostly, I think.



Mr. WALDIE. Did he ever find that out through you?

Mr. COHEN. As to who was buying it; yes, sir.

Mr. WALDIE. Did you give him the names?

Mr. COHEN. From the people in town that I knew; yes, sir.

Mr. WALDIE. The people who were buying the quinine.

Mr. COHEN. Yes, sir. But you see a lot of these sales were to a whole lot of people who were strangers. They were brought in by a girl in town, and they didn't stay in town.

Mr. WALDIE. How would you give Detective Favasuli the information? Would you call it in to him, would you write it?

Mr. COHEN. No, I would call him and tell him who had been up.

Mr. WALDIE. At the police station.

Mr. COHEN. Yes, sir.

Mr. WALDIE. Were the calls always to the police station wherein you got in touch with him?

Mr. COHEN. That is the only way to get through to the detective bureau.

Mr. WALDIE. Is that the only means you utilized to get through to Detective Favasuli?

Mr. COHEN. Yes, sir.

Mr. WALDIE. And during that period of time all your contacts were initiated through the police station phone system itself.

Mr. COHEN. Yes, sir.

Mr. WALDIE. I have no further questions.

Mr. PEPPER. Mr. Wiggins?

Mr. WIGGINS. Just a couple, sir. What was your source of gelatin capsules?

Mr. COHEN. You mean where did I get them?

Mr. WIGGINS. Yes, sir.

Mr. COHEN. From the local wholesalers.

Mr. WIGGINS. What is the name of the wholesaler with whom you dealt?

Mr. COHEN. M. Brenner & Sons.

Mr. WIGGINS. Did the wholesaler deliver them to your place of business or did you pick them up?

Mr. COHEN. No, sir; I just picked them up because during the day there is nobody at home.

Mr. WIGGINS. Was there any other source of supply?

Mr. COHEN. No, sir.

Mr. WIGGINS. Did the wholesaler at any time question your use of these capsules?

Mr. COHEN. Mr. Brenner a couple of times asked me what I was doing with so many, and I told him that I was buying it with the knowledge of the local police department.

Mr. WIGGINS. How long ago did that occur?

Mr. COHEN. That would be, I guess, back around February or March when I had the second large order which was January 22.

Mr. WIGGINS. Of this year?

Mr. COHEN. Of 1970.

Mr. WIGGINS. Did the wholesaler indicate that he had knowledge that gelatin capsules were being diverted into the heroin traffic?

Mr. COHEN. No, sir.

Mr. WIGGINS. Did he tell you why he questioned you as to the volume of your purchase?

Mr. COHEN. No, sir. He just thought it was so much more than he had been stocking. I said yes, but I wasn't doing anything to it and I was doing it with the knowledge of the local detective bureau.

Mr. WIGGINS. As a part of that conversation, did he question you as to what the detective bureau's interest would be in gelatin capsules?

Mr. COHEN. No, sir.

Mr. WIGGINS. Do I understand that the subject was dropped after that statement?

Mr. COHEN. Yes, sir.

Mr. WIGGINS. Did you have any other conversations with the distributor about the use of these capsules?

Mr. COHEN. No, sir.

Mr. WIGGINS. That is all, Mr. Chairman. Thank you.

Mr. PEPPER. Mr. Steiger.

Mr. STEIGER. Thank you, Mr. Chairman. Mr. Cohen, some 20 or 25 years ago you were instrumental in solving a drug problem in Harrisburg.

Mr. COHEN. Right, sir.

Mr. STEIGER. Was that generally known, did the enforcement people know that, for example?

Mr. COHEN. Well, the detective who was in charge of the so-called narcotic division in the city at that time is not living now, but the detectives in Harrisburg knew that, yes, sir.

Mr. STEIGER. In other words, it was not just an arrangement between you and one detective.

Mr. COHEN. No, sir.

Mr. STEIGER. It was something that was known among both the criminal community, I suppose——

Mr. COHEN. I don't know about the criminal community, but it was something that was known by the detectives and by me.

Mr. STEIGER. You didn't receive any publicity——

Mr. COHEN. No, sir; never.

Mr. STEIGER (continuing). About the drug problems.

Did it occur to you at this time that as a result of the rather limited liaison that you had with this detective that you might be in some jeopardy with your pharmacy board in the event that your actions were questioned?

Mr. COHEN. No, sir.

Mr. STEIGER. How often does your pharmacy license come up for review under the Pennsylvania law?

Mr. COHEN. Every 2 years.

Mr. STEIGER. Every 2 years. Has the renewal of your license ever been questioned?

Mr. COHEN. No, sir.

Mr. STEIGER. In the event that it were questioned as a result of these sales of capsules and quinine, do you feel that the detective in question could substantiate your good intentions in this matter?

Mr. COHEN. Yes, sir.

Mr. STEIGER. Do you think it might be helpful for the pharmaceutical business as a whole, in order to make it very clear that the pharmaceutical trade does not endorse this kind of activity unless it is in cooperation with law enforcement, do you think it might be helpful

if you would volunteer to have this particular episode reviewed by your pharmacy board?

Mr. COHEN. Perfectly all right with me.

Mr. STEIGER. When would your license normally come up for renewal?

Mr. COHEN. The next time, my license expires September 30, 1972.

Mr. STEIGER. So in other words, it was just renewed on last September 30.

Mr. COHEN. Yes, sir.

Mr. STEIGER. I congratulate you on it.

When was the last time that the Pennsylvania Pharmacy Board denied a renewal of a license?

Mr. COHEN. I think it was in 1970.

Mr. STEIGER. It was in 1970.

Mr. COHEN. Yes, sir. I read about it in the paper. I don't remember who it was.

Mr. STEIGER. In other words, the pharmacy board in the past has declined to renew licenses for violations.

Mr. COHEN. Yes, sir.

Mr. STEIGER. Is this a frequent occurrence? Would you say that it occurs once a year?

Mr. COHEN. I don't know truthfully.

Mr. STEIGER. I have no further questions, Mr. Chairman.

Mr. PEPPER. Mr. Cohen, just let me ask you one other question.

Mr. COHEN. Certainly.

Mr. PEPPER. In view of your testimony it is a little difficult for me to have it clear in my mind whether you participated in an operation which you knew had to do with the sale of heroin, which you knew was unlawful, because you made a profit out of it in doing so, and because you had been told by your detective friend that it was not illegal for you to do that; or whether you were willing to participate in this operation that must have been of some concern to you, to stay up at odd hours or be awakened at odd hours when you were in your home to carry on this operation, all for the purpose of performing a public service, of aiding a law enforcement officer in detecting the people who were engaged in the trafficking in heroin. Would you state clearly what was your motivation in participating in these sales on such a large scale?

Mr. COHEN. Well, it started out, I was trying to cooperate with the detective. If I had been strictly out for just money, these same people wanted to buy a whole lot of other things that they would have paid very, very fabulous prices for.

Mr. PEPPER. So fortunately this opportunity gave you the chance, as you considered it, to render a very valuable public service in trying to suppress nefarious traffic?

Mr. COHEN. I hope so.

Mr. PEPPER. You feel you have made a contribution to the public interest in doing so, and fortunately you would incidentally make about 400 percent profit on your money in performing that noble public service.

Mr. COHEN. That I couldn't help.

Mr. PEPPER. Mr. Cohen, there might be testimony after lunch from others who might perhaps testify about this aspect of your own



testimony, so I am just giving you notice of that; if you should desire to remain and be present if such testimony is to be given, we would be glad to have you.

Mr. Steiger.

Mr. STEIGER. Thank you, Mr. Chairman. I was interested, Mr. Cohen, in how you were first approached on the large lot sales. Do you recall who first asked you?

Mr. COHEN. Yes, sir.

Mr. STEIGER. Who was that, Mr. Cohen?

Mr. COHEN. It was a young lady that Mr. Livingston knows, and that Detective Favasuli knows, and she was buying capsules from me in thousands because that was the only size that I stocked at the time, and she wanted to know if I could get larger quantities, and I called Detective Favasuli, I told him I had a request for so many. He says "Go ahead and get it" and he says "We will check it out." So I got it and he supposedly checked it out. Otherwise I would not have ordered it, and that large quantity just seemed to grow during these past few months.

Mr. STEIGER. Are we to understand it was this lady who would contact you every time, was she your contact?

Mr. COHEN. She wasn't my contact. This young lady would give me an order, and bring somebody in that would pick up the capsules.

Mr. STEIGER. Every time, now did you notify the detective every time there was an order?

Mr. COHEN. About 90 percent of the time; yes, sir.

Mr. STEIGER. About 90 percent of the time. How many drugstores are there in Harrisburg, approximately?

Mr. COHEN. About 15 or 20, I think.

Mr. STEIGER. Have you any idea how this young lady happened to select your drugstore to make this request?

Mr. COHEN. No, I don't, sir.

Mr. STEIGER. Did you ever discuss the matter with any of the other druggists? Were they selling the same numbers or had they been approached?

Mr. COHEN. Some of the druggists don't stock No. 5 capsules because we have very, very little use for them.

Mr. STEIGER. As I recall, that was your testimony that you hadn't stocked it for 20 years.

Mr. COHEN. Well, the first I sold when they came up was some No. 5 that I had that were about 20 years old.

Mr. STEIGER. Yes, sir; I understand that. You don't know, you never discussed with other druggists as to whether they were selling large quantities of No. 5 capsules.

Mr. COHEN. No, sir.

Mr. STEIGER. And no druggist ever mentioned to you that he had been approached for large quantities.

Mr. COHEN. A lot of druggists were approached I think, I am not sure.

Mr. STEIGER. What makes you think that, Mr. Cohen?

Mr. COHEN. I don't think I am the only one who has been approached for capsules.

Mr. STEIGER. But you never discussed it with them.

Mr. COHEN. No, sir.



Mr. PEPPER. Just this last question. Do you happen to know, Mr. Cohen, whether this young lady was also a friend of Detective Favasuli?

Mr. COHEN. I am sure she is not a friend.

Mr. PEPPER. All right.

(The committee subsequently received from Captain Favasuli an article from the Harrisburg Patriot, wherein he denied allegations made by Mr. Cohen in testimony before the House Select Committee on crime. The article, which is referred to on p. 314, follows:)

DETECTIVE CAPT. BRUNO V. FAVASULI'S STATEMENT QUOTED FROM HARRISBURG PATRIOT, HARRISBURG, PA., OCT. 6, 1970

Detective Capt. Bruno V. Favasuli last night denied allegations by Leonard S. Cohen, a Harrisburg drugstore operator, that he had led Cohen to believe he was cooperating in an effort to help city police cleanup drug traffickers. Favasuli also denied he had informed Cohen in 1969 that the sale of capsules was not in violation of Pennsylvania law.

The captain, who heads the city police department's detective division, said he had informed Thomas P. Livingston, regional supervisor for the State department of health, drug control division, of "what Cohen was doing." The subpoenaed druggist told the House Select Crime Committee in Washington yesterday he had notified Favasuli that he had been "approached" about selling capsules. Favasuli led him to believe he was acting as "a sort of an undercover agent," he testified. Favasuli testified he did not call him "frequently" as indicated in his testimony yesterday. "Actually, he never called me more than three times," the detective captain said. Favasuli said he did suggest to Cohen that he "give me any information he can about the (purchasers) such as license numbers and anything else that might help." "But he never provided me with any license numbers, or any identification at all of persons to whom he sold capsules," Favasuli said.

At no time, Favasuli said, was he informed by Cohen of the dimension of sales. He registered astonishment at the report of testimony, indicating that Cohen supplied more than 1.4 million empty capsules to Maryland residents. Asked why he believed Cohen had gotten in touch with him about the sale of capsules, Favasuli replied, "My impression was that Mr. Cohen had gotten himself in so deep that he felt that he had to say something to someone about what he was doing."

He added that he "never gave Mr. Cohen authorization to sell anything. I told him he runs his store, that I don't run his store," Favasuli said. Cohen testified Favasuli had told him to make the sales "and we'll see what happens." But the detective captain said at no time did he lead Cohen to believe he (Favasuli) was "cooperating with the Baltimore authorities. I have been working in the field of narcotics control for the city of Harrisburg since 1956," Favasuli said. "In 1969 when I was promoted to captain of detectives, the narcotics division was turned over to Lt. Charles E. Wilson who has been working with me since 1956 in the narcotics field. I certainly would not do anything to jeopardize myself or what I believe in. My belief has long been that narcotics is a major community problem. I have always done my level best to combat it."

Mr. PEPPER. Since there are no further questions, the committee will take a recess until 2 o'clock this afternoon.

(Whereupon, at 12 noon, the committee recessed, to reconvene at 2 p.m. of the same day.)

AFTERNOON SESSION

Mr. PEPPER. The committee will come to order, please.

Will Mr. Livingston take the stand, please? Will you hold up your right hand?

Mr. Livingston, do you solemnly swear the testimony you are about to give before the House Select Committee on Crime will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LIVINGSTON. I do.

Mr. PEPPER. Mr. Livingston was in the hearing room this morning and he indicated to our staff that since his name was mentioned in the testimony of Mr. Cohen, he would like permission to appear before this committee to give his version of whatever may have happened and what was said in his presence or to him by Mr. Cohen respecting the matter that is under inquiry here.

Mr. Livingston, who testified as our first witness this morning, asked for the privilege of returning to the witness stand so that he might give certain testimony under oath, in rebuttal to the testimony given this morning by Mr. Leonard Cohen of the Senate Drugstore. Mr. Livingston, were you present during the entire testimony this morning of Mr. Leonard Cohen?

**STATEMENT OF THOMAS P. LIVINGSTON, REGIONAL SUPERVISOR,  
DIVISION OF DRUG CONTROL, PENNSYLVANIA DEPARTMENT OF  
HEALTH—Resumed**

Mr. LIVINGSTON. Yes sir; I was.

Mr. PEPPER. Did Mr. Leonard Cohen ever tell you that, every time he received a request for narcotic paraphernalia, he called Detective Bruno Favasuli of the Harrisburg Police Department to advise him of the intended sale?

Mr. LIVINGSTON. No sir; he did not. At the time of our interview with Mr. Cohen he stated that he made one phone call to Captain Favasuli back in 1969 and Mr. Cohen related to me that Captain Favasuli said it was not a violation of the law in Pennsylvania. This was the extent of Mr. Cohen's remarks at that time, one phone call.

Mr. PEPPER. Did he indicate to you that he relied upon advice of Detective Favasuli and that what he was doing was not in violation of the law and that was the basis for his proceeding to sell these things?

Mr. LIVINGSTON. That is correct.

Mr. PEPPER. Did Mr. Cohen tell you that he was working actively with the Harrisburg Police Department in ferreting out narcotic-paraphernalia traffickers?

Mr. LIVINGSTON. No; he did not.

Mr. WIGGINS. Excuse me, was Mr. Cohen working in any other way with law enforcement authorities?

Mr. LIVINGSTON. Not to my knowledge, sir.

Mr. PEPPER. Is it true, Mr. Livingston, that Mr. Cohen told you the only time he called Detective Favasuli was when he was originally contacted to purchase paraphernalia, and Detective Favasuli said, at that time, that it was not against the law of Pennsylvania to sell paraphernalia?

Mr. LIVINGSTON. That is true.

Mr. PEPPER. Is it true, Mr. Livingston, that at your meeting with Mr. Cohen, on or about August 11, 1970, Mr. Cohen told you that his only reason for participating in the paraphernalia trade was to make "cold hard cash"?

Mr. LIVINGSTON. That is correct, sir. Those were his exact words.

Mr. PEPPER. Did he make any other statement to you about this matter?

Mr. LIVINGSTON. No, sir; except this mention of his cooperation 25 years ago and to apprehend some violators.

Mr. PEPPER. In other words, Detective Favasuli only told him he was not in violation of the law and then Mr. Cohen said to the detective that since it was a profitable operation, he was going to continue?

Mr. LIVINGSTON. That is correct, sir.

Mr. PEPPER. According to your knowledge, how many, if any, arrests have been made by the Harrisburg Police Department as a result of the trafficking sales made by Mr. Cohen to 10 or 11 subjects which you described in your testimony?

Mr. LIVINGSTON. No arrests and to my knowledge, there were no investigations conducted or commenced.

Mr. PEPPER. No arrests and, so far as you know, not any investigation conducted or started?

Mr. LIVINGSTON. Not to my knowledge, sir.

Mr. PEPPER. Do you know whether there was any surveillance conducted by the police of the purchases made of Mr. Cohen at home?

Mr. LIVINGSTON. If they were there they were hidden awfully well because I did not see any local police or any other agencies. As far as I know, there was no surveillances made nor was our unit or any State police or any agency in Maryland contacted by Captain Favasuli, to my knowledge.

Mr. PEPPER. I believe Mr. Cohen testified that Mr. Favasuli was the head of the narcotics department of the Harrisburg Police Department, is that true?

Mr. LIVINGSTON. Well, Captain Favasuli is chief of the Harrisburg Detective Division. There is no narcotics unit, as such. Some of the detectives work narcotics on a part-time basis. He is the chief of the detective bureau.

Mr. PEPPER. Well now, is it customary for the police department and the detective bureau or any of the officials of the police department who work in the narcotics field, to keep in contact with the State, with your agency?

Mr. LIVINGSTON. Normally, with our agency or the State police narcotics unit.

Mr. PEPPER. This was the case of where these supplies were being purchased from Mr. Cohen, and I believe he said transported into Maryland?

Mr. LIVINGSTON. That is correct.

Mr. PEPPER. Of course, Mr. Favasuli operates, I suppose, in the jurisdiction of the city of Harrisburg?

Mr. LIVINGSTON. That is right.

Mr. PEPPER. Would it have been normal procedure—for anybody he wanted to help—with law enforcement officials of Pennsylvania in suppressing the narcotics trade in respect to a shipment going out of the State, to have contacted the State agency about it?

Mr. LIVINGSTON. Definitely, he should have contacted our unit or communicated directly with the Maryland authorities whether it be the State police—

Mr. PEPPER. You are located in Harrisburg yourself, are you not?

Mr. LIVINGSTON. Yes, that is correct.

Mr. PEPPER. And you have how many other people in your department located in Harrisburg?

Mr. LIVINGSTON. Two other agents at that time.

Mr. STEIGER. Mr. Chairman.

Mr. PEPPER. Yes, Mr. Steiger.



Mr. STEIGER. At this point, Mr. Livingston, I wonder if in your opinion, would you say Mr. Cohen was in any personal jeopardy as a result of his cooperation with Detective Favasuli as to being in danger from these people that he was supplying the capsules to?

Mr. LIVINGSTON. I do not follow your question, sir. Mr. Cohen related to me an incident that occurred approximately a month ago in which he allegedly received a threatening telephone call one evening. The identity of the caller and the source of the call was not known to him.

Mr. STEIGER. What was the nature of the threat?

Mr. LIVINGSTON. I believe the nature of the call was that, "Don't ever show up in Baltimore," or words to that effect.

Mr. STEIGER. That was because he allegedly cooperated with you, that was because you had blown the whistle on him?

Mr. LIVINGSTON. This was because the two defendants we arrested or the Maryland authorities arrested on August 12, were observed making the transaction at Mr. Cohen's residence. It was not any cooperation that Cohen tendered to us.

Mr. STEIGER. Yes. Well, that was kind of the thrust of my question. If indeed, Mr. Cohen had been cooperating in some kind of consistent manner with the Harrisburg Police Department, I would assume that would become known to the Harrisburg narcotic people, I mean—

Mr. LIVINGSTON. Well, certainly.

Mr. STEIGER. So he would have been in some jeopardy then, would he not or at least, he would have been—there would have been an attempt to intimidate him; is that possible?

Mr. LIVINGSTON. It is possible; yes, sir.

Mr. STEIGER. OK, thank you.

Mr. PEPPER. Sorry, one other question: Did Detective Favasuli ever advise the State narcotic group, of which you are a part, about these conversations that Mr. Cohen said he had with him, that Cohen was working with him to help the people engaged in enforcement of the law in narcotic traffic to get a better lead on whom to apprehend?

Mr. LIVINGSTON. No, sir; to my knowledge, Captain Favasuli contacted neither myself nor any members of my unit.

Mr. PEPPER. Mr. Perito, do you have any further inquiry?

Mr. PERITO. Thank you, Mr. Chairman. Mr. Livingston, I have a letter dated September 11, 1970, purportedly signed by you and addressed to Arnold Shulman, our assistant counsel, detailing the sales of gelatin capsules, lactose, and quinine hydrochloride and sulfate purchased by Mr. Cohen from a Harrisburg distributor. I wonder if you could identify this letter and after you have identified it, Mr. Chairman, I will ask that this document be made a part of our record and marked "Exhibit No. 3"; sir, is that your signature on the third page of this letter?

Mr. LIVINGSTON. Yes, it is. This is a copy of a letter which I sent to Mr. Shulman regarding Mr. Cohen's purchases.

Mr. PERITO. Mr. Chairman, may the letter which has just been identified by the witness, be marked as "Exhibit No. 3" and entered into the record?

Mr. PEPPER. Without objection, it will be received.

(The letter referred to above was marked "Exhibit No. 3" for reference and follows:)



## EXHIBIT No. 3

## COMMONWEALTH OF PENNSYLVANIA



## DEPARTMENT OF HEALTH

ELLSWORTH R. BROWNELLER, M.D.  
SECRETARY OF HEALTH

State Health Center  
2990 Jefferson Street  
Harrisburg, Pa. 17110  
September 11, 1970

Mr. Arnold G. Shulman  
Associate Counsel  
Select Committee on Crime  
House of Representatives  
Congress of the United States  
232 Longworth House Office Building  
Washington, D.C. 20515

Dear Mr. Shulman:

As requested, our office has compiled the following information concerning purchases by Leonard S. Cohen, during the year 1969 and 1970, of empty gelatin capsules #5, Lactose and Quinine from M. Brenner Wholesale Drug Co., 7th., & Division Sts., Harrisburg, Pa.

The following list shows total amounts purchased, date of purchase and price paid. Invoices are attached and each item has been identified with a star in the left margin.

GELATIN #5 CAPSULES

| <u>DATE OF PURCHASE</u> | <u>AMOUNT OF PURCHASE</u> | <u>COST</u>     |
|-------------------------|---------------------------|-----------------|
| 1/31/69                 | 3000                      | \$7.59          |
| 2/26/69                 | 5000                      | 11.85           |
| 3/11/69                 | 5000                      | 11.85           |
| 4/8/69                  | 15000                     | 35.86           |
| 7/10/69                 | 1000                      | 2.58            |
| 7/14/69                 | 22000                     | 51.51           |
| 8/1/69                  | 25000                     | 58.07           |
| 8/11/69                 | 1000                      | 2.58            |
| 8/11/69                 | 5000                      | 11.85           |
| 9/4/69                  | 1000                      | 2.58            |
| 9/4/69                  | 5000                      | 11.85           |
| 9/5/69                  | 35000                     | 81.29           |
| 9/10/69                 | 12000                     | 30.34           |
| 10/2/69                 | 240000                    | 568.80          |
| <u>TOTAL 1969</u>       | <u>375,000</u>            | <u>\$888.60</u> |
| 1/9/70                  | 10000                     | \$23.23         |
| 1/15/70                 | 37000                     | 90.46           |
| 1/22/70                 | 240000                    | 568.80          |
| 2/23/70                 | 54000                     | 132.42          |

## EXHIBIT No. 3—Continued

GELATIN #5 CAPSULES(Cont'd)

| <u>DATE OF PURCHASE</u>                      | <u>AMOUNT OF PURCHASE</u> | <u>COST</u>       |
|--|---------------------------|-------------------|
| 3/18/70                                      | 120000                    | \$284.40          |
| 3/30/70                                      | 70000                     | 165.90            |
| 4/6/70                                       | 50000                     | 118.50            |
| 6/3/70                                       | 100000                    | 232.26            |
| 6/26/70                                      | 79000                     | 203.82            |
| 7/9/70                                       | 90000                     | 219.60            |
| 7/13/70                                      | 6000                      | 15.48             |
| 7/24/70                                      | 180000                    | 418.07            |
| 8/5/70                                       | 80000                     | 189.60            |
| 8/11/70                                      | 155000                    | 360.00            |
| <u>TOTAL 1970</u>                            | 1,271,000                 | \$3,022.50        |
| <u>GRAND TOTAL 1969 and 1970 - 1,646,000</u> |                           | <u>\$3,911.10</u> |

LACTOSE

|   |                     |                 |
|---|---------------------|-----------------|
| 3/20/69   | 2x16 oz. - 32 oz.   | \$ 2.78         |
| 4/16/69   | 3x16 oz. - 48 oz.   | 4.17            |
| 9/12/69   | 5x16 oz. - 80 oz.   | 6.81            |
| 10/14/69  | 2x16 oz. - 32 oz.   | 2.96            |
| 12/29/69  | 4x16 oz. - 64 oz.   | 5.92            |
| <u>TOTAL 1969</u>                                     | 16 lbs. - 256 oz.   | <u>\$22.64</u>  |
| 1/22/70   | 10x16 oz. - 160 oz. | \$14.80         |
| 1/26/70   | 12x16 oz. - 192 oz. | 10.80           |
| 6/24/70   | 12x16 oz. - 192 oz. | 17.41           |
| 7/27/70   | 12x16 oz. - 192 oz. | 17.76           |
| 8/11/70   | 12x16 oz. - 192 oz. | 17.76           |
| 8/13/70   | 12x16 oz. - 192 oz. | 17.76           |
| 8/21/70   | 12x16 oz. - 192 oz. | 17.76           |
| <u>TOTAL 1970.</u>                                    | 82 lbs. - 2112 oz.  | <u>\$114.05</u> |
| <u>GRAND TOTAL 1969 and 1970 - 98 lbs. - 2368 oz.</u> |                     | <u>\$136.69</u> |

QUININE SULFATE

|                   |                          |                |
|-------------------|--------------------------|----------------|
| 6/30/69           | 1 x 100 - 5 gr. capsules | \$ 3.58        |
| 7/18/69           | 1 x 100 - 5 gr. capsules | 3.58           |
| 8/18/69           | 1 x 100 - 5 gr. capsules | 3.58           |
| 9/12/69           | 1 x 100 - 5 gr. capsules | 3.58           |
| 10/29/69          | 1 x 100 - 5 gr. capsules | 3.58           |
| 11/7/69           | 1 x 100 - 5 gr. capsules | 3.58           |
| 12/2/69           | 1 x 100 - 5 gr. capsules | 3.58           |
| <u>TOTAL 1969</u> | 7 x 100 - 3500 gr.       | <u>\$25.06</u> |

## EXHIBIT No. 3—Continued

QUININE SULFATE(Cont'd)

| <u>DATE OF PURCHASE</u>          | <u>AMOUNT OF PURCHASE</u>      | <u>COST</u>     |
|----------------------------------|--------------------------------|-----------------|
| 1/29/70                          | 1 x 100 - 5 gr. capsules       | \$ 3.58         |
| 3/27/70                          | 1 x 100 - 5 gr. capsules       | 3.58            |
| 5/11/70                          | 1 x 100 - 5 gr. capsules       | 3.58            |
| 6/8/70                           | 1 x 100 - 5 gr. capsules       | 3.58            |
| 7/23/70                          | 1 x 100 - 5 gr. capsules       | 3.58            |
| <u>SUB TOTAL 1970</u>            | <u>5 x 100 - 25000 gr.</u>     | <u>\$17.90</u>  |
| 4/3/70                           | 2 x 5 oz. Powder               | 39.60           |
| 4/6/70                           | 1 x 1 oz. Powder               | 4.10            |
| 8/5/70                           | 3 x 5 oz. Powder               | 59.40           |
| 8/5/70                           | 3 x 1 oz. Powder               | 12.30           |
| <u>SUB TOTAL 1970</u>            | <u>29 oz. Powder</u>           | <u>115.40</u>   |
| <u>GRAND TOTAL 1969 and 1970</u> | <u>6000 grains in capsules</u> | <u>\$ 42.96</u> |
|                                  | <u>29 oz. in powder</u>        | <u>115.40</u>   |
|                                  |                                | <u>\$158.36</u> |

QUININE HCl

|                   |                                |                 |
|-------------------|--------------------------------|-----------------|
| 2/9/70            | 1 x 5 oz. - 5 oz.              | \$ 20.09        |
| 2/27/70           | 1 x 5 oz. - 5 oz.              | 20.50           |
| 4/17/70           | 4 x 5 oz. - 20 oz.             | 82.00           |
| 4/17/70           | 1 x 1 oz. - 1 oz.              | 4.24            |
| 6/16/70           | 4 x 5 oz. - 20 oz.             | 80.36           |
| 7/1/70            | 3 x 1 oz. - 3 oz.              | 12.47           |
| 7/8/70            | 6 x 5 oz. - 30 oz.(mispriced)* | 24.11           |
| 8/5/70            | 6 x 1 oz - 1 oz.               | 24.60           |
| 8/10/70           | 12 x 5 oz. - 60 oz.            | 232.85          |
| <u>TOTAL 1970</u> | <u>9-3/4 lbs. - 150 oz.</u>    | <u>\$501.22</u> |

GRAND TOTAL ALL ITEMS + COST

|                     |   |                   |
|---------------------|---|-------------------|
| Gelatin #5 Capsules | - | \$3,911.10        |
| Lactose             | - | 136.69            |
| Quinine Sulfate     | - | 158.36            |
| Quinine HCl         | - | <u>501.22</u>     |
|                     |   | <u>\$4,707.37</u> |

These figures qualify those in my letter of September 10, 1970. I hope the information contained will be sufficient for the committee's use.

Please feel free to contact me at any time if further information is desired.

Sincerely yours,

*Thomas P. Livingston*  
 Thomas P. Livingston  
 Regional Supervisor  
 Division of Drug Control

Mr. PEPPER. Thank you very much, Mr. Livingston.

Mr. LIVINGSTON. Thank you.

Mr. PEPPER. We appreciate your help.

Our next witnesses this afternoon are Insp. Walter R. Bishop and Officer Edward MacKinnon of the Metropolitan Police Department.

Inspector Bishop has been a member of the Metropolitan Police Department since 1949, and is currently director of the morals division. He has taken many specialized courses in criminal investigation on narcotics and is presently attending American University police administration courses.

Officer MacKinnon, a native of Brookline, Mass., served in the U.S. Air Force for 4 years before joining the Washington Metropolitan Police Department in 1955. Since 1956, he has been assigned to various plainclothes units, and is presently assigned to the morals division, narcotics branch of the department.

He has prepared himself for work in the narcotics field by attending several training courses, including programs offered by the Federal Bureau of Investigation, the Department of Health, Education, and Welfare, the U.S. Attorneys Association, and the Federal Bureau of Narcotics and Dangerous Drugs.

His personnel record reflects a total of 31 commendations from superiors and citizens for outstanding police work.

He will address himself to the current heroin trafficking situation in Washington, D.C., and the surrounding areas, including the sale, distribution, and use of paraphernalia—quinine sulfate, quinine hydrochloride, mannitol, mannite, lactose, dextrose, and No. 5 capsules.

Gentlemen, we are very pleased to have both of you with us today. May I just add that the officers whom we have heard testify here today are, I am sure, typical of so many of the officers of our country; they are not only intelligent and dedicated but highly trained officials. When one takes into account the ingenuity, the cleverness, the enormous financial backing of the narcotics criminals, many of them organized, that the police and the law enforcement officers of this country have to combat and confront, it is certainly a commendable thing to see the growing trend of emphasis upon better training for our peace and law enforcement officers. I make that statement with a personal background of a chief of police for a father who was also a sheriff, so I know something about the problems of law enforcement officers. Mr. Perito, please go ahead and commence the inquiry.

Mr. PERITO. Inspector Bishop, I understand you have kindly prepared a videotape for the committee's consideration. May the record reflect that this videotape and console is to the chairman's left, and this videotape purports to review a simulated narcotics cutting operation: Is that correct?

**STATEMENT OF INSPECTOR WALTER R. BISHOP, DIRECTOR, MORALS DIVISION, METROPOLITAN POLICE DEPARTMENT; ACCOMPANIED BY EDMUND K. MACKINNON, DETECTIVE, NARCOTIC SECTION; AND GABRIEL BRANDANI, DETECTIVE, MORALS DIVISION**

Mr. BISHOP. That is correct.

Mr. PERITO. Inspector, would you be kind enough to introduce the videotape and the officer who prepared that tape so that we may proceed to view the tape first, before I start the questioning?



Mr. BISHOP. Surely.

Detective Gabriel Brandani, of the major violator section of the morals division, will show this videotape which was taken of a narcotic peddler, a street-level peddler, who was cutting his paraphernalia, the prices that he discusses in this videotape are street-level prices, and the cutting, you must remember, is 20-percent heroin that is being shown.

Mr. PERITO. Twenty-percent heroin?

Mr. BISHOP. Twenty percent. This is not pure heroin.

Mr. PERITO. Inspector, I would like to wait just one moment in order to make certain that the chairman and the other members of the committee can see this videotape. Fine, you can proceed, thank you.

(At this point during the hearings a videotape was shown to the committee and the public.)

Mr. PERITO. Inspector, thank you very much. That videotape was prepared this morning, is that correct?

Mr. BISHOP. That is correct.

Mr. PERITO. And the gentleman who was demonstrating the narcotics cutting process, I take it, is not an agent; is that right?

Mr. BISHOP. That is correct.

Mr. PERITO. He is a narcotics trafficker; is that correct?

Mr. BISHOP. Yes, he is a trafficker.

Mr. PERITO. How would you rate his status in the narcotics trade, that is, what level peddler is he?

Mr. BISHOP. He is strictly a street peddler.

Mr. PERITO. Inspector, I would now like to direct some questions to you and to Detective MacKinnon. On the basis of your collective experiences in the narcotics investigating area, could you explain briefly what is the scope of significant narcotic trafficking, at the present time, in the District of Columbia?

Mr. BISHOP. I think it was well put by the individual that the videotape was taken of when he stated that everybody is getting into it, and competition is really bad, and this is what it amounts to today, any enterprising individual out here does get into the traffic. We find instances where a street peddler will overnight become a wholesaler and further up the line. It just depends on how he handles his money and plays his cards, the connections he makes.

Mr. PERITO. To the best of your knowledge, and based upon your department's investigations, would you say that there are many major narcotics traffickers in the District?

Mr. BISHOP. Well, as I just stated, some of these individuals are street peddlers today, and tomorrow they will be wholesalers. It is difficult, really, to evaluate the traffic when you have this type of a fluid situation where it is changing continually. Anybody who has connections in New York can go to New York and pick up their heroin and bring it down here and go into the business.

Mr. PERITO. I would like to direct my next series of questions to Detective MacKinnon. Is it fair to say, based upon your department's investigations in the narcotics area, that there are several narcotics traffickers in the District who travel to New York to make their contacts for high quality heroin?

Mr. MACKINNON. Yes, sir; this is true. In the past we have had many that have—from past experience after they have been arrested,

by questioning them as to their obtaining of the narcotics they will admit that they have—either by train or plane or driven themselves up to New York where there is an abundance of the heroin, at a lesser price than it is here in Washington, and they themselves have gone up and obtained it and brought it back and then have gone into the business after they have obtained the other diluents that are required to mix it up.

Mr. PERITO. Have you discovered, on the basis of your investigations, whether many of the so-called major traffickers in the District of Columbia area, also purchase adulterants, diluents and packaging materials in New York, along with the heroin?

Mr. MACKINNON. I do not think that I have any facts to say that this is the way it is. Usually diluents are right here in the city.

Mr. PERITO. Now, could you explain the nature and scope of the paraphernalia trafficking in the city at the present time and as it existed, say, 1 year ago?

Mr. MACKINNON. As to the paraphernalia today, with the ever-increasing numbers of addicts, as a result there is an ever-increasing number of paraphernalia that is required for the use of these narcotics.

The prices of the paraphernalia today are in keeping with the high cost of living, I guess.

The dope peddlers themselves will give up quantities of heroin for other items which are needed to be used such as syringes and needles. The going price is generally three full capsules of heroin for, I think the exact price is three for \$10 is about exactly what the price would be. They talk in terms of using \$1 to \$1.50 a capsule which is full but when you have six empties you can get a full cap.

Mr. PERITO. Is this a new development?

Mr. MACKINNON. No. They have talked in terms of this for the last year in regards to the exchange of six empties for a full one due to the fact that it is impossible or very hard for the peddler to obtain the empty capsules.

Mr. PERITO. Detective MacKinnon, based upon your investigations, do you know of traffickers in the District who deal only in paraphernalia?

Mr. MACKINNON. This is the word that goes around. When you talk to a person who has been arrested for a narcotics violation, and when you ask him where he is obtaining paraphernalia, to wit, his needles and syringes or his milk sugar or cutting paraphernalia, generally in the past they have related that they go to certain people in the District itself as opposed to a drugstore or a wholesaler.

Mr. PERITO. What is the package of choice in the District at the present time?

Mr. MACKINNON. I am sorry, I did not get that.

Mr. PERITO. What is the package of choice in the District at the present time?

Mr. MACKINNON. As related on the film either the No. 5 gelatin capsule or the tinfoil, where it is known as either a deck or a spoon.

Mr. PERITO. Now, do you know, based upon your investigations, without stating specifically, because I realize some of this material is still under investigation, do you know where most of the District traffickers get their paraphernalia?

Mr. MACKINNON. Not as to most of the traffickers. There have been traffickers that have stated to us that they have obtained this paraphernalia from several drugstores in the District.

Mr. PERITO. Do traffickers in the District prefer quinine hydrochloride to other adulterants?

Mr. MACKINNON. Yes, sir. As the gentleman said on the tape, the quinine holds the heroin together as opposed to the milk sugar which is generally used by the last man to cut the narcotics on the street. The milk sugar will take away from the use of the heroin whereas the quinine will either give it kick or as they say, hold it together.

Mr. PERITO. When you say the use of quinine gives an addict a kick, you mean the addict gets a shock effect when he injects heroin intravenously?

Mr. MACKINNON. Yes; when they use it.

Mr. PERITO. What is the street price today for quinine?

Mr. MACKINNON. The street price is averaging anywhere from \$30 to \$45 an ounce for quinine hydrochloride.

Mr. PERITO. And what is the trafficker paying wholesale for quinine hydrochloride in the District?

Mr. MACKINNON. Quinine also goes wholesale, according to the redbook, I think it is about \$13 an ounce.

Mr. PERITO. It is pretty substantial?

Mr. MACKINNON. Yes, sir; it is.

Mr. PERITO. Would the same profit margin be applicable to the purchase and resale of empty gelatin capsules?

Mr. MACKINNON. Yes, sir. According to our, again, the redbook, they sell for about \$2.58 a thousand, whereas as the man on the screen said this morning or just a few mintues ago, they are selling for \$25 for that same amount.

Mr. PERITO. \$2 and what?

Mr. MACKINNON. 58 cents.

Mr. PERITO. And the resale price on the street for capsules at the present time is what?

Mr. MACKINNON. \$25 to \$30.

Mr. PERITO. And that is an appreciable increase, is it not, over the past year?

Mr. MACKINNON. Yes, sir; it is.

Mr. PERITO. What was the price approximately a year ago?

Mr. MACKINNON. It was in the area of \$15 to \$20 at that time.

Mr. PERITO. Now, the trafficker who we saw cutting heroin on the videotape, did he have a mask on when he cut the heroin?

Mr. MACKINNON. No, sir; he did not.

Mr. PERITO. Has there ever been an occasion when you made an arrest or seizure and found surgical masks present?

Mr. MACKINNON. Yes; on several occasions.

Mr. PERITO. Could you explain to the committee the reason for the use by traffickers of those masks?

Mr. MACKINNON. Going back to the original use of heroin, the people who become addicted can become addicted to what we refer to as snorting and by that heroin is removed from the gelatin capsule, placed in a quill or in a straw and it is snorted through the nostrils. It eventually works its way through the membranes in through the bloodstream to the nervous system, and you can become addicted.



This is generally the first phase of a narcotics addict. As a result, the people who are in the field of cutting this material, whether they be a user or not they can get high from just sitting there cutting, due to the smallness in the capsules, the amount of time that is spent bending over a pile of powder, as we see it in front of us, this is usually a several hours job to sit and cap up 2,000 or 3,000 capsules and as a result, the people trying not to inhale the fumes or the small micrograms of heroin that would be floating through the air.

Mr. PERITO. While we were in New York, Detective MacKinnon, the committee heard considerable testimony about the amount of research going on in law enforcement in an attempt to develop narcotics sensing devices. Does the District employ any of these sensing devices at the present time?

Mr. MACKINNON. We have a sensing device today in the department known as narcodog, a dog that we have used quite readily on several, and on many, of our raids throughout the city. This dog is trained in the senses only in the field of marihuana at this time.

Mr. PEPPER. Detective, does the dog ever become addicted to dangerous drugs?

Mr. MACKINNON. No, sir. We have heard from other jurisdictions that they have trained K-9 dogs for the smelling and the sensing of heroin and as a result the dog did become addicted. It could be this is the reason that we have not gone any further with our dogs and that we have used them only in marihuana.

Mr. PEPPER. I heard on the radio in Miami the other day some fellow telling about how the birds eat these berries which have become fermented and they become inebriated partially, and they find out where these places are during their flights south at times. The birds get high on the fermented part, whatever it is, of the berries, with intoxicating effects, and they run into all sorts of things, and they behave like inebriated people. I do not know whether the dogs are doing that or not.

Mr. MACKINNON. I have not heard that.

Mr. BISHOP. Not with marihuana because, in the first place, we do not know, marihuana is not addictive. We do not know if it can become habit-forming as far as smelling it and the dogs do not operate in closed quarters as the addict would be operating with the heroin.

Mr. PERITO. Detective MacKinnon, during the past 3 years, approximately how many retail pharmacies in the District were selling paraphernalia, to the best of your knowledge?

Mr. MACKINNON. It would be hard to put on the exact number we have. Approximately, it varies from 120 to 180 drugstores in the District of Columbia.

Mr. PERITO. That is both independent and chain?

Mr. MACKINNON. Yes, sir; that is correct. It would be a very minute amount, I would say, in the past few years.

Mr. PERITO. Now, without mentioning the specific name of a particular pharmacy, due to a pending case, could you give the facts and circumstances leading up to the return of an indictment involving a drugstore in the northern section in the District so as to better enlighten the committee of the situation in the District prior to the arrest and seizure of that drugstore?

Mr. MACKINNON. I can, Mr. Perito. We do have a case just such as we have been asked, but I feel if we were to relate any of the facts that



it would not be beneficial to us for the fact that it is a pending case and prejudice might result.

Mr. PEPPER. Based upon that representation we will excuse you from explaining it.

Mr. PERITO. Is there, at the present time, a specific paraphernalia statute in the District similar to Maryland, which makes it a crime to traffic in or use paraphernalia in connection with the heroin trade?

Mr. BISHOP. No; it is not covered.

Mr. PEPPER. Excuse me. At that point let me ask you this, something I meant to ask you when you showed us the process of cutting there a while ago apropos of what has just been stated there.

If you were to go into a place where they had just been cutting heroin and they had time to get the heroin down the commode, but the people who had been cutting it were in the room and had all the paraphernalia around about it, indicating that it had been used in cutting heroin, under the present law, could you arrest the people whom you caught there with that?

Mr. MACKINNON. We have had this happen before, Mr. Chairman, where we have entered premises after a reasonable amount of time, a door knock and announcing and then having to force the door which entitles them to get to the bathroom or the garbage disposal and dispose of the narcotics itself. However, we had found many capsules, quinine, milk sugars, and the other diluents in and about the premises and we at that time had to leave without the benefit of an arrest.

Mr. PEPPER. Under the present law.

Mr. MACKINNON. Under the present law, that is right.

Mr. BISHOP. I think, Mr. Chairman, I might point out that although we feel the possession of implements of crime law does cover narcotics paraphernalia, it is just a matter of interpretation, that the prosecutors and the courts do not feel it does.

Mr. PEPPER. One of the basic objectives of this hearing is to explore any possible deficiency and then, if such deficiency exists, to draft and submit remedial legislation.

Mr. BISHOP. Yes; I think what we basically need is a paraphernalia law that is broad enough to encompass any possibilities in the future, as we have just outlined. Although we are not conceding that the present implements of crime statute is insufficient, we need a law to cover all aspects of narcotics paraphernalia.

Mr. PERITO. When you say any possibilities, Inspector Bishop, I assume that you are referring to new, ingenious, and creative packaging devices and adulterants, for heroin.

Mr. BISHOP. There is no question about it. An individual is going to use some type of packaging and if you refer strictly to the gelatin capsules, as you saw what this individual did on the video screen, why they will come up with some other substitutes.

Mr. PERITO. Detective MacKinnon, could you please explain to the committee what constitutes a third-party shipment of capsules or paraphernalia?

Mr. MACKINNON. Yes, sir. When a drugstore, we will call ABC, is ordering its supplies regardless of where they come from throughout the country, whatever the wholesaler or manufacturer, it generally comes through in the District of Columbia in one of three wholesale warehouses. If, perchance, they should order an item, and we will stick strictly to gelatin capsules, if they were to order a thousand

or 10,000, they could write directly to the manufacturer anywhere in the United States. The item would be sent directly to the drugstore. The only way that the wholesaler in town of the three drug wholesalers would have any knowledge of it would be when the bill is sent through, not directly to the drugstore, but to the wholesaler. This is what they call the third party or drop shipment type of delivery.

Mr. PERITO. Does this present substantial problems to you in detection of paraphernalia shipments?

Mr. MACKINNON. It does in respect that we do have the cooperation and excellent work of the several or the three wholesalers in that if they had no knowledge of a large shipment which was to be delivered there would be nothing that we could do about it until after the horse had got out of the barn.

Mr. PERITO. And you refer to the three wholesalers in the District of Columbia?

Mr. MACKINNON. Yes; I do.

Mr. PERITO. Have the hospitals in the District ever been a source for the purchasing and/or transfer of paraphernalia, or the stealing of such paraphernalia by traffickers?

Mr. MACKINNON. Up to a couple of years ago the hospitals were very big in that the disposable syringes, the disposable units which the nurses used throughout the various wards, when the addicts themselves would get to the hospitals all that they would have to do is go to the incinerator portion of the hospital and in obtaining one bag of trash he would end up with enough needles and syringes to supply him for quite a long period of time.

When we found out about this several years ago, members of the office did go to the several hospitals and requested that at the end of the, or after the use of a needle and syringe, the nurse would take the few seconds that are necessary to break the syringe from the needle and dispose of it in that manner and it has cut down considerably in the trafficking of these items.

Mr. PEPPER. Mr. MacKinnon, is it fair to say that a District or Federal paraphernalia statute similar to the one which Maryland recently enacted, would be of significant help to you and your colleagues in your fight against the heroin trade in the District?

Mr. BISHOP. Yes, sir; definitely it would.

Mr. PEPPER. That is the testimony of both of you gentlemen?

Mr. MACKINNON. Yes, sir.

Mr. PEPPER. Can either of you give us the figures as to what, in your opinion, is the number of heroin addicts in the District of Columbia at the present time?

Mr. BISHOP. Well, that is a very controversial question really and one where the police department has to use statistics which encompass the number of addicts that have come in contact with the police department. We don't make estimates based on anything but recent figures and people we come in contact with.

The latest Bureau of Narcotics and Dangerous Drugs estimate, which is based on our figures and their figures when they come in contact with an addict in the District holds that we have approximately 1,636 addicts. We are realistic enough to realize that not all the addicts come to our attention and that this is a small figure. It is looking at the tip of the iceberg, so to speak.

The narcotic treatment agency has made an estimate based on a formula utilized in New York City where they approximate that the deaths due from overdose are usually 5 percent of the total addict population, and using this formula, and I don't know just how accurate the formula is, but using this formula, they have arrived at a figure in excess of 10,400 addicts.

Mr. PEPPER. How many deaths do you have from what you call an overdose of heroin? How many per unit, per week, or per month?

Mr. BISHOP. Well, this is, this recent estimation was made, based on a 4-month period from April through July of 1970, and they yielded a yearly overdose rate of 51, and as a result they were able to predict the rate as being—

Mr. PEPPER. Fifty-one, in how long a time?

Mr. BISHOP. A 4-month study.

Mr. PEPPER. Four months. It is a little over 12 a month. I recently heard on the radio that three a week dropped dead, as they put it, in the District of Columbia, from taking what they called an overdose of heroin, and that would run about at that rate.

Mr. BISHOP. Well, the overdose rate is supposed to be 5 percent of the total population according to this formula.

Mr. PEPPER. That would run it over 10,000.

Mr. BISHOP. That is right.

Mr. PEPPER. Have you any opinion as to what percentage of heroin addicts in the District are receiving treatment for their addiction?

Mr. BISHOP. Again, that is a difficult thing. We still don't have a centralized system. The narcotic treatment agency is attempting to start a centralized system but at this point we don't have this information, and it is rather difficult to estimate.

Mr. PEPPER. Is there a percentage of crime in the District of Columbia that is attributable to the use of heroin and narcotics?

Mr. BISHOP. Well, based on some surveys that have been conducted, and they were surveys conducted by our department, by the corrections and the courts, it would be safe to assume that at least 50 percent of the crime is committed by addicts.

Mr. PEPPER. So, when we are dealing with this narcotic problem, we are getting right at the heart of the crime problem, aren't we?

Mr. BISHOP. Definitely.

Mr. PEPPER. One other question: Can you tell us whether you agree with one of the previous witnesses, I believe it was Detective Mazzone, as to the source of heroin that comes into the District?

Mr. BISHOP. Well, I didn't hear the previous witness as to what his statement was, but I think we have fairly established over the years that the majority of our heroin does come from New York City.

Mr. PEPPER. He had said that. The Pennsylvania man said that their heroin came from Baltimore and the Baltimore man says theirs came from New York. He thought the District of Columbia source was that way.

Mr. BISHOP. Yes; this has pretty well been the situation in the past several years and it is only in the past year or two when we have had some instances of heroin coming from Miami.

Mr. PEPPER. Well, we had testimony in New York, that Miami now is a conduit and some of the other southern border cities are a conduit in the supply run that runs from southern France to South America



or Central America, and it comes through the southern part of the United States into New York.

Mr. BISHOP. Well, the narcotic traffic being a flexible situation it would appear that once it is well established that it is coming from New York. Another way to change the picture, would be to come in another way.

Mr. PEPPER. Yes; just one other thing, gentlemen. The chief medical examiner of New York, Dr. Helpern—I noticed you used the phrase so many died from an overdose of heroin—Dr. Helpern who apparently is conducting autopsies more than anybody else in the country because New York seems to be the capital of the heroin trade in the country, he said it is erroneous to say that anybody died from an overdose of heroin. He said you can be an addict over a period of years so it would seem the body had become tolerant of it. You can use uniformly, exactly, the same quality heroin and exactly the same quantity and the next dose of the same quantity and the same quality may prove to be fatal. He said that, for some mysterious reason suddenly the body has refused to take it, refused to take it any more.

So I just mention that if we could get it over to the heroin addicts that you are not safe if you are relying on Jim or Tom or Harry who has been furnishing you a good quality, that you are not going to live no matter how reliable he is, and no matter how honest, and how competent, and how able he is to supply you, the next dose may be fatal; and Dr. Helpern presented to our committee numerous photographs of people dying with the needle in their arm, it hits them like that, and it almost is impossible to save them once that process of deterioration and collapse starts in. Have you had, do you know of any, cases of where they died with needles in their arm?

Mr. BISHOP. Yes, we have had several instances.

Mr. PEPPER. You have. Very well.

Well, gentlemen, we thank you very much.

Mr. BISHOP. Thank you, Mr. Chairman.

Mr. PEPPER. I commend you for the fine work you are doing.

The committee now calls Mr. Seymour London of the London Apothecary in Virginia.

Will you please hold up your hand?

Do you solemnly swear that the evidence or the testimony you are about to give before the House Select Committee on Crime will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LONDON. I do, sir.

Mr. PEPPER. Have a seat. Mr. Perito, our chief counsel, will conduct the inquiry.

#### **STATEMENT OF SEYMOUR LONDON, OWNER, LONDON APOTHECARY, ARLINGTON, VA.**

Mr. PERITO. Thank you, Mr. Chairman. Mr. London, your pharmacy is located in Arlington, Va., is that correct?

Mr. LONDON. That is correct, sir.

Mr. PERITO. Is it located at 5275 Lee Highway in Arlington, Va.?

Mr. LONDON. Correct, sir.

Mr. PERITO. And you are a registered pharmacist, is that right?

Mr. LONDON. That is correct.



Mr. PERITO. And are you the sole proprietor of that establishment?

Mr. LONDON. I am; yes, sir.

Mr. PERITO. Now, sir, do you normally carry gelatin capsules as basic inventory stock?

Mr. LONDON. Yes; I do.

Mr. PERITO. How many empty gelatin capsules do you normally keep on hand?

Mr. LONDON. Perhaps in the nature of 200 or 300 at most of any particular size.

Mr. PERITO. 200 or 300 at most.

Mr. LONDON. At most of any particular size.

Mr. PERITO. And do you normally stock quinine hydrochloride in bulk form?

Mr. LONDON. No, sir; I do not.

Mr. PERITO. Do you normally stock lactose in bulk form?

Mr. LONDON. I think I have one box of a pound that has been there since we opened for business. It has never been sold.

Mr. PERITO. Now, to the best of your knowledge, in 1969, approximately how many gelatin capsules did you sell?

Mr. LONDON. Total gelatin capsules?

Mr. PERITO. Yes, sir.

Mr. LONDON. In the nature of a million and a half to 2 million, perhaps.

Mr. PERITO. A million and a half to 2 million.

Mr. LONDON. Yes.

Mr. PERITO. Now, you weren't using those empty gelatin capsules to compound prescriptions, were you?

Mr. LONDON. With the exception of maybe a few hundred, that was all.

Mr. PERITO. Right; everything else was sold in bulk.

Mr. LONDON. Correct; I never opened the carton.

Mr. PERITO. Were you buying the capsules in thousand lots from the manufacturer?

Mr. LONDON. From Eli Lilly & Co. I was paying \$1.46 a thousand.

Mr. PERITO. What were you reselling them for?

Mr. LONDON. \$1.71 per thousand.

Mr. PERITO. Were most of those sales, that is, the sales in excess of a million, to a single purchaser?

Mr. LONDON. They were.

Mr. PERITO. Could you tell the committee the circumstances surrounding your sales to that one man?

Mr. LONDON. I first had contact with the man as a patient of doctors in the building, and as a customer in the pharmacy, a patron. I knew him as a family man with children and who lived nearby and who conducted a business nearby, and had been exposed to him over a period of maybe a year or more and had spoken to him on different occasions when he came in, was ill, and I filled his prescriptions.

On one particular occasion, approximately a year or so ago, he came in and said that he had been buying empty gelatin capsules from another source and that this was convenient for him since he lived right nearby the pharmacy there and could I possibly sell them to him.

Mr. PERITO. Did you know, at that point, what his line of business was?

Mr. LONDON. Yes; I did.

Mr. PERITO. What was his business?

Mr. LONDON. He operated a reupholstery shop which was a few blocks down the street from my pharmacy.

Mr. PERITO. Did he tell you, at that point, that he used the capsules in his reupholstery business?

Mr. LONDON. No; he indicated he was doing it for other purposes, and I was naturally concerned with what other purposes. So he brought into me examples of how he was using the capsules.

Mr. PERITO. What were those examples, sir?

Mr. LONDON. Well, I have brought here one of them. You possibly have seen this peace symbol used for jewelry and on various banners and such as that. It seems to be something the young people like to use, whether they understand the significance or not, they use this as a peace symbol. This is a sheet of plastic cut into the shape of a star. It has on it about a thousand empty capsules that have been sprayed and painted and made to a form like this. (Witness displays an ornament composed of capsules.)

Mr. PERITO. A thousand empty capsules?

Mr. LONDON. I would say there are approximately that many on here.

Mr. PEPPER. According to the last witnesses, it has become a permanent peace symbol, for three citizens each week in the District of Columbia, who die from heroin overdoses each week.

Mr. PERITO. Did the gentleman order a substantial number of gelatin capsules each week?

Mr. LONDON. No, no. He would come in at a period of about every 3 months or so, and would then reorder another quantity.

Mr. PERITO. What was the total number of capsules ordered by this purchaser, to date?

Mr. LONDON. I would say approximately 2 million capsules.

Mr. PERITO. About 2 million.

Mr. LONDON. Approximately 2 million empty gelatin capsules?

Mr. PERITO. And this man represented to you that he was using those 2 million capsules to make Christmas tree ornaments.

Mr. LONDON. Well, this type of ornament that I have described to you, and he also had wreaths. I might have been suspicious of the man had he not been quite so ingenious.

He also brought in and showed me other things that he was using and preparing. I would say very unusual type of materials to produce the things that he was doing. For example, he would use imprinted or IBM cards which he could fold and bend and use into different Christmas wreaths. They were sprayed, they were very articulate, very artistic, and he said he was doing quite a job in selling these. He gave me several of them. They were just too big to bring with me today, and I even used them and displayed them in my pharmacy.

Mr. PERITO. Did there ever come a time when he told you how he secured the necessary manpower to put these wreaths and ornaments together?

Mr. LONDON. Yes.

Mr. PERITO. What did he say to you?

Mr. LONDON. He said that he used members of his family, women in the neighborhood where he could employ them in the shop and in his home to produce and make these various things. Now he came at different times of the year. In the fall, he would come and he would

bring me an example of something that could be used as Halloween decorations all with capsules all over it and in the various—sprayed with the colors emblematic of Halloween. He would come at Christmastime and showed me beautiful wreaths that were sprayed and would be a credit to anyone's front door at Christmastime. He indicated he was making these in large quantities and using the women and his friends, members of his family and all to produce it.

Mr. PERITO. Did there ever come a time when you became suspicious of all this activity?

Mr. LONDON. Well, I never really suspected him of anything illegal. I regard him as a young man who used not too much education but a great deal of ingenuity to produce something which could be used and sold for apparently very good profits. And since he used a variety of unorthodox materials to produce these things, IBM cards, a newspaper, I thought he was a pretty ingenious young man and I still think he is.

Mr. PERITO. How did he happen to buy both the pink and white capsules from you?

Mr. LONDON. Well, actually I suggested it to him. He was at one time, he had showed me how he was using this and I said to him, "Well, do you know that it is available to you in pink also. That might save you the trouble of spraying them with the red color," and he said "That sounds very good, suppose you make the order half pink and half clear."

Mr. PERITO. Are you still supplying him with capsules?

Mr. PEPPER. Where was his place of business, at his home or someplace else?

Mr. LONDON. No; he had an upholstery shop. He also showed me other things that he was producing at this upholstery shop, leather—

Mr. PEPPER. All of them required the use of No. 5 capsules.

Mr. LONDON. No, no; he also brought in, from time to time, other things which he showed he was producing in the shop. Little leather vests with tassels such as they are being sold very prominently now in the style shops around town which he told me he was producing also in his shop. I really had no reason to feel he wasn't 100-percent legitimate.

Mr. PEPPER. Wasn't he paying a pretty high profit on this raw material? What profit did you make on these things?

Mr. LONDON. Just a quarter per thousand.

Mr. PEPPER. A quarter per thousand.?

Mr. LONDON. I really was supplying him just as a customer and without any profit, particular profit, motive. When he first came to me and asked me would I possibly supply him with these capsules, I said: "Well, possibly so. Do you need any particular quantity of them?" I wanted to know what he was going to use them for and he said: "Well, I can imagine you would be suspicious," and he said: "I will bring you examples and show you the type of things I am using them for," and they were quite artistic and very well done. He was very much concerned about the price, and I told him that I had never bought them in any quantity before, that I had paid about \$2.50 for a box of them and that would last me for quite some time, but if he



wished I would inquire as to what a bulk quantity would cost him, and I did. I contacted the pharmaceutical house and asked them what the price would be in large quantity and related this back to him, and he said: "Well now, what would you sell them to me for," and I told him. I said: "I am not particularly anxious to make my money out of this, you are my customer, and quite frankly, what would you think of 25 cents per thousand."

Mr. PEPPER. Had you heard at that time, Mr. London, that these No. 5 capsules were being used in the packaging of heroin for sale?

Mr. LONDON. No, sir; I never have and quite frankly I was surprised when I was advised by the law enforcement people that it was. I had in my limited exposure to heroin—I have never seen it before or I never tasted it, I really don't know what it is—I was always under the impression it was packaged in little square pieces of paper like cutout paper and I never considered that the capsules would be used in the illicit drug trade.

Mr. PEPPER. You don't know about this particular Maryland statute that refers to these paraphernalia?

Mr. LONDON. Quite frankly, I don't know it; no. There is not one that applies to me where I practice pharmacy.

Mr. STEIGER. Just one question, Mr. Chairman.

Mr. LONDON. Yes.

Mr. STEIGER. How far was this gentleman's place of business from your place of business?

Mr. LONDON. A matter of about three and a half to four blocks away.

Mr. STEIGER. Did you ever stop in to see this assembly line of these 2 million capsules being artistically designed?

Mr. LONDON. Actually, no; a pharmacist is about a 70- to 80-hour-a-week employee and when I leave there I am ready to go home to bed practically.

Mr. STEIGER. Did he ever invite you to come by and watch them construct these things?

Mr. LONDON. No; he never did.

Mr. STEIGER. All right.

Mr. PEPPER. I may have missed it. Did you answer as to how many of these No. 5 capsules you would ordinarily use in your ordinary pharmacy business?

Mr. LONDON. Well, not over a hundred or 200 maybe in an entire year, maybe 300 perhaps.

Mr. PEPPER. In a whole year?

Mr. LONDON. In an entire year; yes, sir.

Mr. PEPPER. Thank, Mr. London.

(The following letter was received for the record:)

THE HENRY B. GILPIN Co.,  
Washington, D.C., October 6, 1970.

Mr. ARNOLD SHULMAN,  
Room 232, Cannon House Office Building,  
Washington, D.C.

DEAR MR. SHULMAN: As requested we are submitting records of sales (February 7, 1969, to August 21, 1970) and purchases (January 1, 1969, to September 30, 1970) of the following materials: No. 5 gelatin capsules (clear



and colored), quinine hydrochloride, quinine sulfate, mannitol, mannite, lactose, and dextrose.

If we can be of further assistance please feel free to call on us.

Sincerely,

R. B. DUNCAN, Jr.,  
Administrative Vice President.

Enclosure.

#### PURCHASES

|                             | No. 5 pink | No. 5 clear | Total<br>all capsules |
|-----------------------------|------------|-------------|-----------------------|
| 1969:                       |            |             |                       |
| January.....                |            | 16,000      | 41,400                |
| February.....               |            |             | 27,000                |
| March.....                  |            | 16,000      | 40,500                |
| April.....                  |            | 17,300      | 74,900                |
| May.....                    | 200        | 19,200      | 53,700                |
| June.....                   |            | 36,000      | 68,800                |
| July.....                   | 500        | 3,000       | 30,600                |
| August.....                 | 200,300    | 48,000      | 300,600               |
| September.....              |            | 2,400       | 78,200                |
| October.....                | 300,000    |             | 374,900               |
| November.....               |            | 200,000     | 230,400               |
| December.....               |            | 300,000     | 322,400               |
| Total, 1969.....            | 501,000    | 657,900     | 1,643,400             |
| Percent No. 5 capsules..... |            |             | 70.5                  |
| 1970:                       |            |             |                       |
| January.....                |            | 300         | 52,100                |
| February.....               |            |             | 47,400                |
| March.....                  |            | 300,300     | 323,100               |
| April.....                  |            | 6,000       | 40,600                |
| May.....                    | 195,000    | 200,300     | 436,000               |
| June.....                   | 5,000      | 600         | 80,300                |
| July.....                   |            | 9,000       | 60,700                |
| Total, 1970.....            | 200,000    | 516,500     | 1,040,200             |
| Percent No. 5 capsules..... |            |             | 68.9                  |

#### PURCHASES

|                               |             | 1969 | 1970 |
|-------------------------------|-------------|------|------|
| Dextrose anhyd. (pounds)..... | pounds..... | 156  | 87   |
| Dextrose anhyd. (5 lbs.)..... | do.....     | 50   | 25   |
| Dextrose hyd. (pounds).....   | do.....     | 60   | 72   |
| Dextrose hyd. (5 lbs.).....   | do.....     | 60   | 140  |
| Total.....                    | do.....     | 326  | 324  |
| Lactose hyd. (pounds).....    | do.....     | 204  | 228  |
| Lactose hyd. (5 lbs.).....    | do.....     | 35   | 80   |
| Total.....                    | do.....     | 239  | 308  |
| Quinine HCL (1 oz.).....      | Ounces..... | 37   | 32   |
| Quinine HCL (5 oz.).....      | do.....     | 5    | 10   |
| Quinine sulfate (1 oz.).....  | do.....     | 5    | 7    |
| Quinine sulfate (5 oz.).....  | do.....     | 35   | 0    |
| Total.....                    | do.....     | 82   | 49   |

## SALES

|  | Feb. 7, 1969-<br>Feb. 6, 1970 | Feb. 7-Aug. 21,<br>1970 |
|--|-------------------------------|-------------------------|
| M.T. caps No. 5 pink, 100's.....         | 800                           |                         |
| M.T. caps No. 5 pink, 1,000's.....       | 500,000                       |                         |
| M.T. caps No. 5 pink, 5,000's.....       |                               | 200,000                 |
| M.T. caps No. 5 clear, 100's.....        | 5,000                         | 1,400                   |
| M.T. caps No. 5 clear, 1,000's.....      | 138,000                       | 18,000                  |
| M.T. caps No. 5 clear, 5,000's.....      | 500,000                       | 500,000                 |
| Total.....                               | 1,143,800                     | 719,400                 |
| Dextrose anhyd. (Pounds).....Pounds..... | 115                           | 51                      |
| Dextrose anhyd. (5 lbs.).....do.....     | 75                            | 0                       |
| Dextrose hyd. (1 lb.).....do.....        | 101                           | 67                      |
| Dextrose hyd. (5 lbs.).....do.....       | 80                            | 115                     |
| Total.....do.....                        | 371                           | 233                     |
| Lactose hyd. (Pounds).....do.....        | 203                           | 174                     |
| Lactose hyd. (5 lbs.).....do.....        | 50                            |                         |
| Total.....do.....                        | 253                           | 174                     |
| Quinine HCL (1 oz.).....Ounces.....      | 41                            | 28                      |
| Quinine HCL (5 oz.).....do.....          | 0                             | 5                       |
| Total.....do.....                        | 41                            | 33                      |
| Quinine Sulfate (1 oz.).....do.....      | 5                             | 3                       |
| Quinine Sulfate (5 oz.).....do.....      | 10                            | 5                       |
| Total.....do.....                        | 15                            | 8                       |

## 1970—QUANTITY SALES OF No. 5 CAPSULE

March 31, 1970, London Apothecary, 60 by 5,000 No. 5 M. T. caps, white.

May 27, 1970, London Apothecary, 39 by 5,000 No. 5 M. T. caps, pink.

May 27, 1970, London Apothecary, 40 by 5,000 No. 5 M. T. caps, white.

June 18, 1970, London Apothecary, one by 5,000 No. 5 M. T. caps, pink.

## 1969—QUANTITY SALES OF No. 5 CAPSULE

August 29, 1969, London Apothecary, 200 by 1,000 No. 5 M. T. caps, pink.

October 27, 1969, London Apothecary, 300 by 1,000 No. 5 M. T. caps, pink.

December 2, 1969, London Apothecary, 40 by 5,000 No. 5 M. T. caps, white.

December 31, 1969, London Apothecary, 60 by 5,000 No. 5 M. T. caps, white.

Mr. Pepper. We will take a short recess.

(A short recess was taken.)

Mr. PEPPER. The hearing will come to order, please.

There is a witness whose identity we have agreed not to disclose but who is aware of that fact he is going to testify before us under subpoena, and we will thank him if he will come forward at the present time. Please have a seat. (Witness comes forward wearing sunglasses.)

Our next witness is a licensed pharmacist who operates a drugstore in the District of Columbia. He has been involved in the sale of heroin paraphernalia for several years and has been subpoenaed to appear here today because his story sheds light on the problem. The druggist has requested, and the Select Committee on Crime has agreed, that he testify under a pseudonym because he fears bodily harm as a result of his testimony here today. So, therefore, for the purposes of this interrogation, we will address the next witness as Mr. Jones. Mr. Perito, would you begin the examination?

Mr. PERITO. Thank you, Mr. Chairman. Mr. Jones, you are a registered pharmacist, are you not, in the District of Columbia?

STATEMENT OF MR. JONES, AN UNIDENTIFIED DISTRICT OF  
COLUMBIA PHARMACIST

Mr. JONES. Yes, sir.

Mr. PERITO. You are the proprietor of a pharmacy in the District; is that right?

Mr. JONES. That is correct.

Mr. PERITO. And you have been in business in the District for several years?

Mr. JONES. Almost 20.

Mr. PERITO. Now, sir, as a matter of course in your pharmacy do you normally stock empty No. 5 gelatin capsules in bulk form?

Mr. JONES. No, sir.

Mr. PERITO. In the 22-odd years that you have been in business in the District, have you had any real legitimate need to purchase empty gelatin No. 5 capsules in bulk form?

Mr. JONES. In bulk form?

Mr. PERITO. Yes, sir.

Mr. JONES. No, sir.

Mr. PERITO. To the best of your recollection, approximately how many empty No. 5 gelatin capsules have you used in the past 5 to 10 years in compounding prescriptions?

Mr. JONES. Zero, legitimately.

Mr. PERITO. Directing your attention to a period of time approximately 10 years ago, did you have occasion at that time to sell empty No. 5 gelatin capsules in lots of a thousand?

Mr. JONES. Yes, sir.

Mr. PERITO. Prior to making the initial sales of these capsules were you advised by the customer as to the reason why he wanted to purchase such large quantities of gelatin capsules?

Mr. JONES. There was some excuse given at the time but I couldn't possibly recall what the excuse was.

Mr. PERITO. Did you have any idea, at that time, what his intended use was for these empty gelatin capsules?

Mr. JONES. Ten years ago; no, sir.

Mr. PERITO. Do you recall, when you first sold empty gelatin capsules in bulk form what you paid for them from the wholesaler and what you then charged the customer for these same capsules?

Mr. JONES. I believe 10 years ago they must have been in the neighborhood of approximately \$1.50 a thousand, and the sale price at that time, I think, was around \$4 or \$5.

Mr. PERITO. Now your most recent sale of gelatin capsules took place when, sir?

Mr. JONES. October the 2d or 3d.

Mr. PERITO. This past Friday?

Mr. JONES. Delivery was made this past Friday.

Mr. PERITO. And what was the price—

Mr. JONES. Excuse me, it was purchased the day before, of course.

Mr. PERITO. Pardon?

Mr. JONES. It was purchased the day before and delivery was made the next day.

Mr. PERITO. What price did you pay for the empty No. 5 gelatin capsules in bulk form from the wholesaler and what price did you charge the customer?

Mr. JONES. \$2.48 wholesale, and \$10 retail.

Mr. PERITO. So the profit you made was substantially more than your profit margin on ordinary items, like toothpaste?

Mr. JONES. It certainly was.

Mr. PERITO. Have you dealt in the past few years with one particular wholesaler in the District of Columbia for the purchase of gelatin capsules?

Mr. JONES. Yes, sir.

Mr. PERITO. What is the name of that wholesaler from whom you purchased these capsules?

Mr. JONES. Prior to when—10 years ago?

Mr. PERITO. No, during the past 5 years.

Mr. JONES. We are going to have to break that up. Originally 10 years ago it was Gilpin Co., Washington, D.C., and then in the past 3 or 4 years I would say it has been District Wholesale Drug Co. of Washington, D.C.

Mr. PERITO. Let me direct your attention back to your initial bulk sales. Did there come a time, after you made the initial bulk sales, that you were called down to the Federal Bureau of Narcotics?

Mr. JONES. Yes, sir; I was.

Mr. PERITO. And were you told by the agent down at the Bureau what your customer intended to do with the capsules he purchased from you?

Mr. JONES. Yes; I was so informed.

Mr. PERITO. And since that time have you been cooperating with the Federal Bureau of Narcotics and Dangerous Drugs?

Mr. JONES. Yes, sir.

Mr. PERITO. Now, the order that this gentleman placed with you, on or about October 2, how many capsules did he request at that time?

Mr. JONES. 3,000.

Mr. PERITO. Did he request any adulterants or diluents?

Mr. JONES. Yes; he did, 2 pounds of lactose.

Mr. PERITO. What was the price you paid for the lactose and the No. 5 capsules, and what was the price you charged the customer for them?

Mr. JONES. The lactose also?

Mr. PERITO. Yes, sir.

Mr. JONES. The lactose is very inexpensive stuff. It was done as just a whole bulk sales thing. The 3,000 capsules and the 2 pounds of lactose, I think he paid something like \$40 for.

Mr. PERITO. Now the man that you sold these substances to, on or about October 2, you had dealt with him in the past, is that right?

Mr. JONES. Yes, sir.

Mr. PERITO. Had this man made most of the purchases of narcotics paraphernalia from your pharmacy in the past 4 or 5 years?

Mr. JONES. That is correct.

Mr. PERITO. Now, I take it that you don't stock lactose as a regular inventory item.

Mr. JONES. No, sir; we do not.

Mr. PERITO. How did you know what price to charge this man for the gelatin capsules and the lactose which you sold to him?



Mr. JONES. Well, that has to go back to the fact that in dealing with the Bureau of Narcotics and Dangerous Drugs, in talking to the agents there, I would just ask them what is the going price for this type of merchandise.

Mr. PERITO. The agents gave you a figure?

Mr. JONES. They would give me a figure and that was it.

Mr. PERITO. During the past 7 or 8 years had you had occasion to sell quinine hydrochloride in bulk form?

Mr. JONES. Not in bulk form, no.

Mr. PERITO. Do you normally stock quinine hydrochloride in bulk form?

Mr. JONES. Not in bulk form, no, sir.

Mr. PERITO. As a pharmacist, what are the possible uses for quinine hydrochloride?

Mr. JONES. Its main use is as an antimalarial only, that is the main use.

Mr. PERITO. How much quinine hydrochloride have you sold in the past 3 or 4 years?

Mr. JONES. Well, we buy them in lots of a thousand, 5-grain quinine capsules, and I presume I may have sold approximately a thousand during the year, which is very, very small.

Mr. PERITO. So, based upon your experience, it is fair to say that, to the best of your knowledge, there is no legitimate need for a pharmacist stocking, as an inventory item, empty No. 5 gelatin capsules and quinine hydrochloride?

Mr. JONES. Only in the smallest of quantities.

Mr. PEPPER. Mr. Waldie?

Mr. WALDIE. No questions.

Mr. PEPPER. Mr. Wiggins?

Mr. WIGGINS. During the time you have practiced your profession here in the District, sir, have you ever been advised by your wholesaler about the possible misuse of these No. 5 gelatin capsules?

Mr. JONES. Not by the wholesaler; no, sir.

Mr. WIGGINS. Were you ever advised by the manufacturer of the possible abuse of these capsules?

Mr. JONES. No, sir.

Mr. WIGGINS. Were you so advised by the District Pharmacy Board?

Mr. JONES. Now, there may have been a flyer on that some years back.

Mr. WIGGINS. Would you estimate for the committee, please, how long ago it was that there may have been such a flyer?

Mr. JONES. I would say 3 to 4 years.

Mr. WIGGINS. Do you recall if the flyer pertained only to the gelatin capsule?

Mr. JONES. I think it was gelatin capsules and lactose and adulterants as we would call them. I don't think it was anything other than that.

Mr. WIGGINS. In your business do you receive periodic warnings from either the manufacturer, wholesaler, or police agencies about various drugs or devices which are being abused?

Mr. JONES. Rarely.

Mr. WIGGINS. I gather from your testimony, sir, that the legitimate use of the No. 5 gelatin capsules by a legitimate pharmacist for filling medicine compounds in his pharmacy is practically nil.

Mr. JONES. That is exactly correct. They are very difficult to handle to fill, and it would be much preferable to use a No. 0, No. 1, or No. 2 capsule because then you can use your fingers. When you get down to No. 5 it gets to be tough.

Mr. WIGGINS. Thank you very much, sir.

Mr. JONES. You are welcome.

Mr. PEPPER. Mr. Steiger.

Mr. STEIGER. Thank you, Mr. Chairman.

The pharmacy board, I note from the statute, renews licenses, I gather from reading it, on an annual basis, is that correct?

Mr. JONES. Yes, sir.

Mr. STEIGER. Here in the District.

Mr. JONES. Yes, sir.

Mr. STEIGER. This is an automatic situation, is it? You file a certain month every year and they simply, it is really a collection of a fee.

Mr. JONES. That is right.

Mr. STEIGER. Has the pharmacy board ever taken it upon itself to keep the profession posted on the potential dangers of narcotics or any allied narcotics paraphernalia?

Mr. JONES. I think that is the reference I made to the flyer.

Mr. STEIGER. I see.

Mr. JONES. Once before. I think that is the only time I recall and then I am very vague on that because so many things come up—it was not put in such a form as to lay the law down, so to speak.

Mr. STEIGER. I am sorry, I misunderstood, I thought that flyer was the product of one of the manufacturers.

Mr. JONES. No, sir.

Mr. STEIGER. So you do hear from the pharmacy board on other matters as they affect the profession?

Mr. JONES. Occasionally.

Mr. STEIGER. Do you recall a pharmacist's license ever being revoked, or failed to renew, for any ground whatsoever, since you have been practicing pharmacy here?

Mr. JONES. I personally have no knowledge of that, sir, but I feel that we in the profession would have heard about it very quickly if someone's license was not renewed or was revoked for something serious or severe.

Mr. STEIGER. So it is fair to at least assume from your own experience only that in the 22 years the pharmacy board in the District, at least has not functioned other than as sort of a tax collection or licensing agency and not as a protective agency.

Mr. JONES. I think that is a fair assumption.

Mr. STEIGER. Is the pharmacy board made up of pharmacists?

Mr. JONES. Yes, sir; it is.

Mr. STEIGER. Who selects those, do you know? Well, that is all right. If you don't know it is fine.

Mr. JONES. I know that the District of Columbia Pharmaceutical Association sends a suggestion to the commissioners, I say commissioners, and then after that I don't know what happens to it.

Mr. STEIGER. I see, fine, thank you, Mr. Chairman.

Mr. PEPPER. Mr. Jones, if I understand correctly, you have recently, although you have been engaged in the sale of this paraphernalia for the cutting of heroin for some time, discontinued voluntarily the sale of narcotics paraphernalia; I take it because you became aware of what they were using these materials for, and you didn't want to be a party to the drug traffic in heroin in this District, is that correct?

Mr. JONES. It goes further than that, Mr. Chairman. I have, as my testimony should have revealed to you, I have been constantly alerting the proper authorities upon each and every individual sale prior to delivery thereof, and this was one way that the authorities could keep track of what was going on in the District of Columbia.

Mr. PEPPER. Well, you are to be commended upon that, but apparently so far as you know you faithfully did that, as you say you have done it, but at the same time you decided voluntarily to desist from these sales.

Mr. JONES. Yes, sir.

Mr. PEPPER. Now, do you think that a druggist, an ordinarily well-informed one or rather anybody who is capable of holding a license as a druggist in the District of Columbia, should become suspicious when people begin buying large quantities of these materials that go into the cutting and packaging of heroin? And don't you think the ordinary druggist who wants to be a honorable citizen of the community, don't you think he has just cause for being concerned or suspicious about those large sales to people who obviously are not justified in the use of those large quantities of paraphernalia?

Mr. JONES. I think 999 out of 1,000 pharmacists would know that it is not right to sell such items.

Mr. PEPPER. Even in spite of the fact that we have not yet enacted a law prohibiting it.

Mr. JONES. That is correct, sir.

Mr. PEPPER. That is the kind of enlightened conscience that we want to commend to others engaged in your profession.

Any other questions?

If not, thank you very much, Mr. Jones, for coming to be with us today.

Mr. JONES. Thank you, sir.

Mr. PEPPER. Our next witness is Mr. Frank Russinsky, of Richco Products, of Richmond, Va.

Mr. Russinsky appears today under a subpoena of the Select Committee on Crime. Will you have a seat?

Mr. Russinsky, will you stand and raise your right hand?

Mr. Russinsky, do you solemnly swear that the testimony you are about to give before the House Select Committee on Crime will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RUSSINSKY. Yes, sir.

Mr. PEPPER. Have a seat. Mr. Perito, our chief counsel, will start the questioning?

Mr. PERITO. Mr. Russinsky, you operate a business in Richmond, Va., is that correct?



**STATEMENT OF FRANK RUSSINSKY, RICHEO PRODUCTS,  
RICHMOND, VA.**

Mr. RUSSINSKY. Yes, sir.

Mr. PERITO. What is the name of your business, sir?

Mr. RUSSINSKY. Richeo.

Mr. PERITO. What is the complete name of your business, sir?

Mr. RUSSINSKY. Richeo Products.

Mr. PERITO. How long have you been in business?

Mr. RUSSINSKY. Since 1946.

Mr. PERITO. What is the nature of that business?

Mr. RUSSINSKY. Wholesale drugs and drug sundries.

Mr. PERITO. And you supply drugs and drug sundries to retail pharmacists in the Richmond area?

Mr. RUSSINSKY. Retail pharmacists; yes, sir.

Mr. PERITO. Now, do you carry as a stock item quinine hydrochloride?

Mr. RUSSINSKY. We carry as a stock item quinine sulfate capsules, but we do not carry quinine hydrochloride.

Mr. PERITO. Did you have occasion, during the past year, to receive requests or orders for large amounts of quinine hydrochloride?

Mr. RUSSINSKY. Yes, sir.

Mr. PERITO. I direct your attention to March of 1969. Did you have a request, on or about March 24, 1969, for 200 ounces of quinine?

Mr. RUSSINSKY. We made a delivery of 200 ounces on that date yes, sir.

Mr. PERITO. Was that the delivery made to the North Avenue Pharmacy?

Mr. RUSSINSKY. Yes, sir.

Mr. PERITO. That pharmacy is located at 2424 North Avenue in Richmond, Va.?

Mr. RUSSINSKY. Yes, sir.

Mr. PERITO. On or about June 6, 1969, you delivered 200 more ounces of quinine hydrochloride?

Mr. RUSSINSKY. That is right.

Mr. PERITO. On or about June 18, 1969, you delivered 200 more ounces of quinine hydrochloride?

Mr. RUSSINSKY. That is correct.

Mr. PERITO. On or about July 3, 1969, you delivered 400 more ounces?

Mr. RUSSINSKY. That is correct.

Mr. PERITO. On or about August 6, 1969, you delivered 200 more ounces?

Mr. RUSSINSKY. That is correct.

Mr. PERITO. On or about August 18, 1969, 300 ounces?

Mr. RUSSINSKY. That is right.

Mr. PERITO. On or about August 26, 1969, 200 ounces?

Mr. RUSSINSKY. Yes, sir.

Mr. PERITO. On or about September 4, 200 ounces?

Mr. RUSSINSKY. Yes, sir.

Mr. PERITO. On or about December 15, 1969, 200 ounces?

Mr. RUSSINSKY. Yes, sir.

Mr. PERITO. On or about March 1970, 500 ounces?



Mr. RUSSINSKY. March 11, 1970, 500 ounces.

Mr. PERITO. On or about April 3, 1970, another 500 ounces?

Mr. RUSSINSKY. Yes, sir.

Mr. PERITO. On or about May 22, 1970, another 500 ounces?

Mr. RUSSINSKY. That is correct, sir?

Mr. PERITO. On or about May 27, 1970, another 500 ounces.

Mr. RUSSINSKY. That is correct.

Mr. PERITO. On or about July 27, 1970, another 500 ounces?

Mr. RUSSINSKY. That is correct.

Mr. PERITO. So, for the year ending December 31, 1969, to date, you supplied a total of 4,600 ounces of quinine hydrochloride to North Avenue Pharmacy? Is that right?

Mr. RUSSINSKY. Yes, sir.

Mr. PERITO. Now, did the proprietor of that shop explain to you what he wanted to use that quinine for?

Mr. RUSSINSKY. No, sir; he didn't explain it nor did we ask why.

Mr. PERITO. Did you have any idea, at the time, what that quinine was probably going to be used for?

Mr. RUSSINSKY. I did not give it too much thought until it was called to our attention by an investigation that was begun.

Mr. PERITO. And that was an investigation begun by this committee?

Mr. RUSSINSKY. No, sir; it was prior to that. We were asked by a member of the—well, actually an inspector for the board of pharmacy. Actually, what they asked us, what he asked us, was were we using large amounts of quinine capsules, and the only quinine capsules that we stock at all is a 5-grain quinine sulfate capsule which we have stocked ever since we have been in business.

He inquired as to the amount of sales, and we showed him what we have been purchasing and how we sold it, the packaging that we put it into, which is a small retail package of six or 12 capsules and, of course, the quantities that we were using in this field were normal or subnormal, actually.

Mr. PERITO. Where do you purchase your quinine from?

Mr. RUSSINSKY. Are you referring to the quinine sulfate capsules or the quinine hydrochloride?

Mr. PERITO. Hydrochloride.

Mr. RUSSINSKY. We purchased from R. W. Greef & Co.

Mr. PERITO. At 1 Rockefeller Plaza in New York.

Mr. RUSSINSKY. Yes, sir.

Mr. PERITO. What about quinine sulfate?

Mr. RUSSINSKY. Well, we purchase it from different sources. We usually purchase it in 5,000 quantities, which is not—we actually don't use enough to purchase it in quantity, like Carroll Chemical Co. or other manufacturers have had it; we get a discount on handling it.

Mr. PERITO. Now, sir, did you know or do you know, rather, the proprietor of the North Avenue Pharmacy?

Mr. RUSSINSKY. North Avenue Pharmacy has been a customer of our firm since, I would say, 1950, prior to the present proprietor, and I have known this gentleman since he bought the store several years ago. They are a customer of ours.

Mr. PERITO. Were the purchases made from March 24, 1969, to July 27, 1970, that is for the 4,600 ounces of quinine hydrochloride,

were they far in excess of the normal requests for quinine hydrochloride?

Mr. RUSSINSKY. They were his only requests. We never had sold any prior to that. This is our first. We were asked for a quotation on it, which is very normal. We received many requests for quotations on drugs and chemicals, and we quote a price, and we get the business or we don't.

Mr. PEPPER. Mr. Waldie.

Mr. WALDIE. No questions.

Mr. PEPPER. Mr. Wiggins.

Mr. WIGGINS. Sir, have you received any instructions from the manufacturer concerning the possible abuse of quinine?

Mr. RUSSINSKY. No, sir. Let me clarify something. The actual manufacturer of quinine is in Holland. This is an imported product, and the only contact we have is with the importer who we know as a major importer of chemicals, and we did at one time many months ago make a special call to this importer and asked them if there was anything that they knew about any laws or any reason why we couldn't legally sell quinine, and the answer was, from their office was, absolutely no reason whatsoever.

Mr. WIGGINS. What prompted that call to be made?

Mr. RUSSINSKY. Well, we know whatever we purchase from them is a matter of record, there is no question about it. We purchase in our routine manner of doing business, and although I didn't personally at the time think, not knowing how far the investigation—I didn't know exactly how big this was—we had a question in our mind which was, well, let's check into this thing and see if they can give us any information, because we have no information from any other quarters.

Mr. WIGGINS. Well, the question arose in your mind as to the legality of the sale, and you checked that out by contacting the importer; is that true?

Mr. RUSSINSKY. Yes, sir.

Mr. WIGGINS. And you were advised by the importer that as far as they knew it was not illegal in any way.

Mr. RUSSINSKY. We were advised by the importer that there was absolutely no reason or no restrictions on the sale of quinine hydrochloride.

Mr. WIGGINS. Was the question that arose in your mind occasioned by some information that came to your attention concerning the use of quinine as a diluent in cutting heroin?

Mr. RUSSINSKY. Yes, sir. That is one of the reasons we made the call.

Mr. WIGGINS. When did this call occur?

Mr. RUSSINSKY. I couldn't give the exact date, sir.

Mr. WIGGINS. This year?

Mr. RUSSINSKY. But it was early this year, very early this year.

Mr. WIGGINS. It was before you were contacted by an investigator, wasn't it, sir?

Mr. RUSSINSKY. Yes, sir. We also—pardon me, sir.

Mr. WIGGINS. Go ahead.

Mr. RUSSINSKY. But I also at one time asked the inspector of the board concerning this and, at that time, was told that there was no law or no restriction against the sale of it.

Mr. WIGGINS. Right. I yield.

Mr. STEIGER. On that one point, are you saying the inspector of the pharmacy board?

Mr. RUSSINSKY. It was just—he was in a routine inspection.

Mr. STEIGER. Did he indicate then that they did use this substance as an adulterant?

Mr. RUSSINSKY. He indicated nothing to me but, of course, this occurred just about the time that we were asked about quinine sulfate capsules.

Mr. STEIGER. Thank you.

Mr. WIGGINS. Well, in the conversation you had with the importer, did the question of the use of quinine come up? Did you discuss its possible use in the heroin traffic?

Mr. RUSSINSKY. No, sir; I didn't speak with him myself. They were called by one of the young ladies in my office.

Mr. WIGGINS. At your direction and instruction, though, wasn't it, sir?

Mr. RUSSINSKY. Actually not. It was her own idea.

Mr. WIGGINS. Did she tell you about it?

Mr. RUSSINSKY. Yes, sir. She happens to be my wife. [Laughter.]

Mr. WIGGINS. You are lucky she told you about it.

Have you received any instructions from the local pharmacy board concerning the potential for abuse of the substances?

Mr. RUSSINSKY. Well, sir, I do receive a bulletin from the pharmacy board, a regular bulletin, and to be very honest, I can't say that I read it. I scan the bulletin; I don't read its contents entirely. I don't recall having any instructions whatsoever from the board of pharmacy concerning the sale of this product.

Mr. WIGGINS. Are you still selling the quinine in large quantities to this pharmacy?

Mr. RUSSINSKY. No, sir.

Mr. WIGGINS. Did you stop that voluntarily?

Mr. RUSSINSKY. No, sir.

Mr. WIGGINS. Why did you stop?

Mr. RUSSINSKY. Because we received no further orders from this pharmacy.

Mr. WIGGINS. I take it, if they did order, you would be inclined to fill the order; is that so?

Mr. RUSSINSKY. We are in a spot, sir. After all, we are a small firm, and we need our customers, and as long as this man is a legitimate licensed pharmacist, I don't think it is in my jurisdiction or for me to judge this pharmacist.

Mr. WIGGINS. I suppose that is just about what the importer told you, too?

Mr. RUSSINSKY. I didn't speak to the importer, but it was not—his answer was much shorter, I understand.

Mr. WIGGINS. I understand. That is all for me, Mr. Chairman.

Mr. STEIGER. No questions.

Mr. PEPPER. Well, that is the reason we are holding this hearing, because if people do not impose these limitations upon themselves, of course, we have to resort to the law to prohibit this sort of thing, and then also to clarify the matter in the minds of the people who want to obey the law to know there is a law against it.

Mr. RUSSINSKY. I would like to add something, sir. I think the committee is familiar with the fact that the price we sold this quinine

at was under the market price. Our prices range from \$2 to \$2.70 an ounce, and we didn't do this with a profiteering motive. As far as we were concerned it was another commodity that we handle, and that is exactly the way it was bought and sold, sir.

Mr. PEPPER. You sold it in the regular course of business at the usual price?

Mr. RUSSINSKY. At a normal markup that we would sell any special order product that we got in, and we can substantiate the fact this is in line with our operational profits, sir.

Mr. PEPPER. May I ask one other thing? You didn't deliver it from your home at 5 o'clock in the morning, and that sort of thing?

Mr. RUSSINSKY. No, sir. Our delivery car delivered it during a normal delivery procedure to the pharmacy.

Mr. PEPPER. And during business hours?

Mr. RUSSINSKY. Yes, sir.

Mr. PEPPER. All right.

Mr. STEIGER. Mr. Chairman, excuse me, if you would yield. I am just interested as a matter of your thinking in this, and I sincerely offer this question: Mr. Russinsky, are you saying that if you were reasonably certain that this commodity was going to be used in the narcotics trade eventually, the fact that you were not taking an unconscionable profit, the fact that you were doing it as a normal course of business, and the fact that it was legal, you would feel would justify your continuing to trade in it?

Mr. RUSSINSKY. Sir, this tends to put me on a spot. What I am trying to say is this: That I am not a registered pharmacist. I have a license, I am registered with the Food and Drug Administration. Our business operates as legitimately as we know how and as honestly as we know how, and we are in a very, very competitive field, and all we try to do is supply our customers with their requirements, and we do this at a price as competitively as we can sell at and still make a profit, and we try to undersell our competition because this is the way business has to be transacted today.

Mr. STEIGER. Mr. Russinsky, I do not intend to put you on the spot, I do not intend to embarrass you, but for our guidance, we are faced with the same thing all the way up the line, manufacturers, respectable, responsible, producers of varying sizes up to the largest, really all seem to have this attitude that they are performing a service, they owe it to their customers who are licensed legitimate people.

Now, somewhere along the line, it seems to me that you would recognize, if nothing else, the jeopardy to the customer that you are serving. Maybe you can rationalize not furnishing this by explaining to him that you think he himself may get into trouble.

Whatever the rationale, I am asking you, I guess, without a law you would feel obligated to continue to furnish this stuff regardless of what you knew about it; is that what you are saying?

Mr. RUSSINSKY. Well, no, sir, that is not what I am saying, at least, that is not what I mean.

What I am trying to say, sir, the product we were selling was readily available from other sources, other legitimate wholesale sources.

Mr. STEIGER. But you don't have any control over those sources, Mr. Russinsky. You only had control over that which you handled.

I am saying again, as long as it was not illegal in order for you to



survive economically, would you feel that you would have to continue to furnish it?

Mr. RUSSINSKY. I really hadn't thought of that, sir.

Mr. STEIGER. All right, think of it for a second. I do not mean to belabor the point. I am telling you now that this substance is used in the narcotics trade. It is an adulterant, and I am assuming that you accept my word for it.

Mr. RUSSINSKY. Yes, sir; I understand that.

Mr. STEIGER. The narcotics trade is a vicious thing.

What do you feel is your responsibility as just one link in this whole chain of supply, do you feel now that you would still have to continue furnishing this to anybody who ordered it?

Mr. RUSSINSKY. No, sir. I don't feel that at all. And, as a matter of fact, just within the last 2 weeks we informed a local officer that we were not going to complete a sale that they told us that we could or should.

Mr. STEIGER. You recognize, of course, that if everybody would take that posture, at least that one portion of the—I recognize you have no control over the others—I guess what I am asking you, the reason or the conclusion I am drawing is we are going to have to write a law in order to make sure that everybody complies with you.

Mr. RUSSINSKY. Yes, sir. I think that is the answer, a good strong law.

Mr. STEIGER. Thank you, Mr. Chairman.

Mr. PEPPER. The next witness will be Mr. William Bowie III, owner of the North Avenue Pharmacy in Richmond. Mr. Bowie is a registered pharmacist of the Commonwealth of Virginia.

He appears today under a subpoena of the Select Committee on Crime.

I understand Mr. Bowie is accompanied by his attorney, Mr. Lawrence D. Wilder, who is an attorney in Richmond, Va., and according to his card, a member of the senate of Virginia, the 30th senatorial district.

We want all the witnesses to understand they have the right to have counsel accompany them, if they choose to do so.

Will you please stand and raise your right hand, Mr. Bowie?

Do you solemnly swear that the testimony you are about to give before the House Select Committee on Crime will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BOWIE. I do.

Mr. PEPPER. Have a seat. Thank you. Mr. Perito, please proceed.

Mr. PERITO. Mr. Bowie, as you know, you are appearing and testifying at a public hearing before an authorized committee of the U.S. Congress. I want to advise you that the House Select Committee on Crime is conducting a continuing investigation and taking testimony concerning the multiple problems of heroin traffic in the United States, in general, and, in particular, in the greater Washington area.

The committee is investigating, among other things, the possibility of drafting a Federal and/or District statute or regulation, to regulate the use, control, manufacture, sale, distribution and/or transfer of narcotics packaging materials, paraphernalia, adulterants, and diluents. Do you understand that, sir?

If, in your considered judgment, a truthful answer to any question which I put to you might tend to incriminate you, you have a constitutional right to refuse to answer that question, on that basis, sir; do you understand that, sir?

**STATEMENT OF WILLIAM BOWIE III; ACCOMPANIED BY  
LAWRENCE D. WILDER, COUNSEL**

Mr. BOWIE. Yes.

Mr. PERITO. You are accompanied by counsel; is that correct?

Mr. BOWIE. Yes, that is correct.

Mr. PERITO. And you had an opportunity to consult with counsel prior to coming here?

Mr. BOWIE. That is correct.

Mr. PERITO. You are the proprietor of the North Avenue Pharmacy?

Mr. BOWIE. Yes, sir.

Mr. PERITO. And you are a licensed pharmacist; is that correct?

Mr. BOWIE. That is correct.

Mr. PERITO. That is in Richmond, Va.?

Mr. BOWIE. That is correct.

Mr. PERITO. Where is your pharmacy located, sir?

Mr. BOWIE. 2424 North Avenue, Richmond, Va.

Mr. PERITO. And are you the sole proprietor of North Avenue Pharmacy?

Mr. BOWIE. I am the sole proprietor of North Avenue Pharmacy.

Mr. PERITO. How long have you been in business?

Mr. BOWIE. Five years.

Mr. PERITO. How many people do you have working for you, sir?

Mr. BOWIE. Approximately four, and sometimes a relief pharmacist, such as today I am not able to be there, so I have another pharmacist taking over for me.

Mr. PERITO. Now, sir, from March 24, 1969, to July 27, 1970, did you have occasion to buy 4,600 ounces of quinine?

Mr. BOWIE. Yes, sir.

Mr. PERITO. Was that quinine sulfate or quinine hydrochloride?

Mr. BOWIE. The quinine that you have reference to is quinine hydrochloride.

Mr. PERITO. Prior to March 24, 1969, did you stock quinine hydrochloride as a bulk item?

Mr. BOWIE. No, sir.

Mr. PERITO. You did not. Did you request the purchase of this quinine hydrochloride from any wholesaler as a result of a request of a particular customer?

Mr. BOWIE. Yes, sir.

Mr. PERITO. Now, Mr. Bowie, you were served with a subpoena of the House Select Committee on Crime?

Mr. BOWIE. Yes, sir.

Mr. PERITO. On or about the time that the committee subpoena was served upon you, did you have occasion to have a conversation with an investigator of the House Select Committee on Crime?

Mr. BOWIE. Yes, sir.

Mr. PERITO. And that investigator to whom you spoke was Mr. Bedell?

Mr. BOWIE. I don't recall his name, but I know him if I see him.

Mr. PEPPER. The large man here to the right.

Mr. BOWIE. Yes.

Mr. PERITO. Do you recognize the gentleman on the chairman's right as our hearings officer? May the record reflect the witness has identified Mr. Bedell, our chief hearings officer.

Mr. Bowie, would you tell us why you told Mr. Bedell that you neither purchased nor sold quinine hydrochloride?

Mr. BOWIE. When I was approached by the agent I was afraid and reacted improperly and, perhaps, maybe childish. I have never been involved in any type of investigation before this, and I would have to apologize for that.

Mr. PERITO. Could you supply the committee, in writing, and not for publication, the names of those individuals who purchased quinine hydrochloride from your drugstore?

(The witness conferred with his counsel.)

Mr. BOWIE. Perhaps I could.

Mr. PERITO. At the time that you—

Mr. PEPPER. We will request you to do so.

Mr. WIGGINS. Do I understand you are undertaking to do so?

Mr. WILDER. Could we approach the bench?

(There was a conference between Mr. Wilder and the members of the committee.)

Mr. PERITO. At the time you made the purchases, did you know what the intended use was, for the quinine hydrochloride?

Mr. BOWIE. Could I make a statement to the committee?

Mr. PERITO. Yes, sir.

Mr. BOWIE. The honorable members of the House Select Committee on Crime, gentlemen, I am here in response to a summons issued September 30, 1970, and served that date. As it has been explained to me by your staff investigator your purpose is to prove the need for strengthening the Federal drug control laws. I have brought, pursuant to the summons, all of my books, papers, documents and records relating to purchases, quantity and amount of the materials referred to therein. These are here for you to peruse and refer to as you deem necessary.

I should like to make certain things abundantly clear; I have no knowledge of any person or persons trafficking in narcotics who have purchased anything from me with design to use same for the furtherance of their design. To my knowledge, I have never dealt with a drug pusher. Intelligent reflection, however, would prompt persons in my position, if they were to speak candidly and frankly, to be suspicious of persons purchasing quantities of paraphernalia, usually associated with and used for the preparation of certain narcotic drugs.

However, a suspicion in these instances and especially under the prevailing laws, Federal and State, does no more than call upon the druggist to arbitrarily decide to whom he should dispense drugs, with no more guidelines than we presently have. This, I feel, leaves the problem in a weakened posture and I should trust that the scope and results of your committee inquiry lead you to recommend strengthening the existing statutes so as to include the paraphernalia herein described, which in my humble opinion is vitally necessary for the dope pusher to implement his design. It would remove persons as

myself from being innocently set upon by these persons and more importantly would, I hope, impose criminal sanctions upon those manufacturers, wholesalers, retailers, and purveyors of drug paraphernalia.

I intend to answer as fully as I can any questions which you may propound touching on any of these subjects as I have nothing to conceal. I further want to assure you that strengthened drug control laws would only lead to a further protection for so many of our young people who have fallen prey to this dread malady.

Mr. WIGGINS. I am curious to know whether there is a paraphernalia statute in the State of Virginia.

Mr. BOWIE. No.

Mr. WIGGINS. Well, I take it your statement was really made to us and to your counsel, who is also a legislator as well. I take it you are interested in this just as well, aren't you?

Mr. WILDER. Yes, sir. We need this in Virginia, and I think the Federal statute needs to be looked at with a view toward strengthening also, very definitely.

Mr. WIGGINS. No further questions.

Mr. PEPPER. That would be a good subject for you, Counsel, a bill for you to introduce in the Virginia State Senate.

Mr. WILDER. I do not think too many people would object to it, Mr. Chairman. We really cannot campaign on that one.

Mr. STEIGER. Thank you, Mr. Chairman. Mr. Bowie, I wonder if you had the same feeling as Mr. Russinsky who preceded you, who said he felt obligated to supply his customers with their needs as long as those needs were legal under the law. Do you have that same feeling with regard to this—

Mr. BOWIE. At this point, since things have gone to this point, if one came in, if you did not have a law now, I would not even bother with this stuff.

Mr. STEIGER. I am delighted to hear you say that.

Thank you, Mr. Chairman.

Mr. PEPPER. Thank you, Mr. Bowie, and thank you, Mr. Wilder.

Mr. WILDER. Thank you, gentlemen. It is a pleasure.

Mr. PEPPER. Our next witness is Mr. June Branch of Washington, D.C.

Mr. Branch appears here today under subpoena of the Select Committee on Crime.

Would you please come forward, Mr. Branch.

Mr. Branch, will you please stand and raise your right hand to be sworn?

Do you solemnly swear that the testimony you are about to give before the House Select Committee on Crime will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. BRANCH. I do.

The CHAIRMAN. Have a seat.

Mr. Perito.

Mr. PERITO. Mr. Branch, I want to advise you that you are testifying at a public hearing before an authorized committee of the U.S. Congress.

I want further to advise you that the House Select Committee on Crime is conducting a continuing investigation and taking testimony



concerning the problems of heroin trafficking throughout the United States and, in particular, at this hearing, narcotics trafficking in the Greater Washington area.

The committee is investigating, among other things, the possibility of recommending Federal and/or District legislation to regulate and/or control the manufacture, sale, distribution or transfer of narcotics packaging materials, paraphernalia, adulterants, and diluents.

Mr. Branch, if in your considered opinion, a truthful answer to any question which I or any member of the committee might put to you, may tend to incriminate you or violate your constitutional rights, you can refuse to answer the question on that basis. Do you understand that, sir? I assume by shaking your head you mean yes?

#### STATEMENT OF JUNE BRANCH, FORMER CONSTRUCTION WORKER

Mr. BRANCH. I do.

Mr. PERITO. Mr. Branch, where do you live?

Mr. BRANCH. 443 Ridge.

Mr. PERITO. 443 Ridge Street NW.?

Mr. BRANCH. Yes, sir.

Mr. PERITO. How long have you lived at that address?

Mr. BRANCH. Ten or 12 years.

Mr. PERITO. What do you do for a living at the present time?

Mr. BRANCH. I used to work for a construction company until I got too sick. I had high blood pressure and heart trouble, and I don't work nowheres now.

Mr. PERITO. How long have you been unemployed?

Mr. BRANCH. About 2 years.

Mr. PERITO. About 2 years?

Mr. BRANCH. Yes.

Mr. PERITO. Do you know what a No. 5 gelatin capsule looks like?

Mr. BRANCH. Yes.

Mr. PERITO. You have seen these capsules before?

Mr. BRANCH. Yes.

Mr. PERITO. Do you know what lactose in bulk form looks like?

Mr. BRANCH. No; I don't know what it looks like.

Mr. PERITO. You have never seen lactose?

Mr. BRANCH. None.

Mr. PERITO. What about quinine hydrochloride?

Mr. BRANCH. None. I don't know what quinine hydrochloride is?

Mr. PERITO. Do you know what it is?

Mr. BRANCH. No.

Mr. PERITO. I am sorry, sir, I didn't hear your answer.

Mr. BRANCH. No.

Mr. PERITO. Do you know what quinine hydrochloride——

Mr. BRANCH. No.

Mr. PERITO. Did you ever hear that this substance is used to cut junk?

Mr. BRANCH. Yes.

Mr. PERITO. You have heard that?

Mr. BRANCH. Yes.

Mr. PERITO. You heard that quinine was used to whack up junk?

Mr. BRANCH. Yes.

Mr. PERITO. What about quinine sulfate, did you ever hear about that.

Mr. BRANCH. No.

Mr. PERITO. Now, No. 5 gelatin capsules, did you ever buy any capsules or did you ever carry any capsules with you in the past couple of years?

Mr. BRANCH. Yes; I had some on me.

Mr. PERITO. As a matter of fact, you bought 3,000 gelatin capsules last week, didn't you?

Mr. BRANCH. 3,000?

Mr. PERITO. How many did you buy?

Mr. BRANCH. I don't know how many it was; I bought some caps.

Mr. PERITO. Did you buy some lactose?

Mr. BRANCH. I don't know what the stuff was.

Mr. PERITO. Was it white powder that you bought, in addition to the caps?

Mr. BRANCH. Well, I guess that is what it was.

Mr. PERITO. What did you do with that white powder and those capsules?

Mr. BRANCH. A fellow sent me in the drugstore to get some.

Mr. PERITO. What did you get for it?

Mr. BRANCH. Huh?

Mr. PERITO. What did you get for it? Did you get a piece of the action?

Mr. BRANCH. A piece of the action?

Mr. PERITO. Yes.

Mr. BRANCH. What do you mean, a piece of the action?

Mr. PERITO. Did you get some money for buying those things for this man?

Mr. BRANCH. Yes, he paid me.

Mr. PERITO. How much did he pay you?

Mr. BRANCH. He gave me \$25.

Mr. PERITO. For buying 3,000 caps?

Mr. BRANCH. Yes.

Mr. PERITO. Had you ever bought caps before this time?

Mr. BRANCH. Yes, I bought some before.

Mr. PERITO. And when you bought these caps, you went into the same drugstore in the District?

Mr. BRANCH. Yes, sir.

Mr. PERITO. You knew the druggist?

Mr. BRANCH. Yes, sir. I don't know him. I don't personally know him personally.

Mr. PERITO. And then you resold these caps to this fellow?

Mr. BRANCH. Yes, sir.

Mr. PERITO. What is this fellow's name?

Mr. BRANCH. His name? I know him as George, is all I know; George.

Mr. PERITO. George, who?

Mr. BRANCH. George.

Mr. PERITO. George. Do you know George's last name?

Mr. BRANCH. No, sir.

Mr. PERITO. Could you identify him if you ever saw him?

Mr. BRANCH. Yes, sir.

Mr. PERITO. What was George going to do with all those caps?

Mr. BRANCH. I wouldn't know that.

Mr. PERITO. Is George a junk dealer?

Mr. BRANCH. I don't know whether he was a junk dealer or not.

Mr. PERITO. Did you ever hear him talk about being a dealer; was George in junk or pushing junk?

Mr. BRANCH. No, sir.

Mr. PERITO. Never heard that from him? How long have you been buying caps from this pharmacy in the District?

Mr. BRANCH. I haven't bought them but three times; that is all.

Mr. PERITO. You bought them last week?

Mr. BRANCH. Yes.

Mr. PERITO. And then you bought them, how long before that?

Mr. BRANCH. About 3 or 4 weeks ago.

Mr. PERITO. The same pharmacy?

Mr. BRANCH. Yes, sir.

Mr. PERITO. And then before that time?

Mr. BRANCH. The same pharmacy.

Mr. PERITO. And you got \$25 each time?

Mr. BRANCH. Yes, sir.

Mr. PERITO. Now, this last time when you bought the caps and lactose, did you go into the drugstore and order them first?

Mr. BRANCH. Yes, sir.

Mr. PERITO. What did you ask for at that time; what did you ask the druggist for?

Mr. BRANCH. I told the druggist give me the same thing he give me before.

Mr. PERITO. And what about that white powder, that lactose? Did you ask for the same thing?

Mr. BRANCH. I never seen it. He told me to buy stuff in the can; I don't know what it is.

Mr. PERITO. So the druggist suggested to you that you should have some white powder along with the caps?

Mr. BRANCH. The druggist didn't ask me nothing. He told me and said, "Go in there and tell him"—he didn't call it white powder, he called it something else, but I forgot what he called it.

Mr. PERITO. Did George ask you to buy the white powder?

Mr. BRANCH. Yes, sir.

Mr. PERITO. And you don't have any idea what George does for a living?

Mr. BRANCH. No.

Mr. PERITO. You don't think George is a junk dealer?

Mr. BRANCH. Not as I know it. I don't know what he does.

Mr. PERITO. Do you live near Division Street?

Mr. BRANCH. No.

Mr. PERITO. Where do you live?

Mr. BRANCH. 443 Ridge Street NW.

Mr. PERITO. Do you ever see junkies in that area?

Mr. BRANCH. 2,000 of them a day.

Mr. PERITO. Do you ever see junkies with small caps in their hands?

Mr. BRANCH. No; I haven't seen no junkies with no caps in their hands.

Mr. PERITO. Don't you know from your experience that those caps are used to put junk in?

Mr. BRANCH. What do—I don't know what they are used for.

Mr. PERITO. You have no idea?

Mr. BRANCH. No.

Mr. PERITO. You have lived in the city how long?

Mr. BRANCH. Thirty-five years.

Mr. PERITO. And you never heard that those small caps are used to hold junk?

Mr. BRANCH. I hear they call them caps, but I don't know what kind of caps they are talking about.

Mr. PERITO. Mr. Branch, you have been arrested 53 times in your life; is that right?

Mr. BRANCH. I don't know. I have been arrested many times.

Mr. PERITO. And you served a total of 120 days?

Mr. BRANCH. 120 days, what?

Mr. PERITO. A total of 120 days?

Mr. BRANCH. In Washington; that is all.

Mr. PERITO. And you never heard that those little caps are used to package junk?

Mr. BRANCH. No; I never heard about no junk.

Mr. PERITO. Mr. Chairman, I have no further questions.

Mr. PEPPER. Is it correct to say that you have been arrested 53 times in the last 30 years?

Mr. BRANCH. That is right; maybe more than that, I don't know.

Mr. PEPPER. And you served 120 days in jail?

Mr. BRANCH. That is right.

Mr. PEPPER. Did you meet in the jail anybody engaged in the drug, heroin business, who had been engaged in it?

Mr. BRANCH. Say that again.

Mr. PEPPER. While you were in jail, did you meet anybody who had been engaged in heroin sales, heroin traffic?

Mr. BRANCH. I met some boys in jail. I don't know, they said they were in there for heroin. I don't know what they were doing.

Mr. PEPPER. They said they were in there for that?

Mr. BRANCH. Yes.

Mr. PEPPER. Well now; do you recall what fines you paid when you were arrested or how much sentence you got on any particular charge?

Mr. BRANCH. I never got no sentence in Washington but twice.

Mr. PEPPER. You got two sentences.

Mr. BRANCH. Yes.

Mr. PEPPER. When were they?

Mr. BRANCH. I don't know. One time I was—I don't know—when I got out of the Army in 1946 sometime; I don't know.

Mr. PEPPER. How long did you get that time?

Mr. BRANCH. 120 days.

Mr. PEPPER. 120 days for what?

Mr. BRANCH. Selling whisky.

Mr. PEPPER. Selling whisky.

Have you ever been charged with selling drugs? Dope of any kind?

Mr. BRANCH. No.

Mr. PEPPER. Did you ever pay a fine of more than \$5 or \$10?

Mr. BRANCH. Yes, for selling whisky.

Mr. PEPPER. What?

Mr. BRANCH. Selling whisky.



Mr. PEPPER. I know, but you went to jail that time for 120 days. You got other charges for selling whisky?

Mr. BRANCH. I paid a \$100 fine one time, and went to jail once. That is all.

Mr. PEPPER. Well, the reason I asked you these questions, Mr. Branch, is that we have evidence, purportedly from your criminal reference sheet, that in the last 30 years you have been arrested 53 times. You served a total of 120 days in jail, and you never paid more than either a \$5 or \$10 fine, and the rest of the cases were nol-prossed against you; is that correct?

Mr. BRANCH. That is right.

Mr. PEPPER. Well, I guess you have been pretty lucky or the police authorities have been pretty bad. Which would you say?

Mr. BRANCH. Half the time they arrested me for nothing, standing on the corner.

Mr. PEPPER. Standing on the corner?

Mr. BRANCH. Yes.

Mr. PEPPER. All right.

Any other questions?

Mr. STEIGER. Just one question.

Mr. BRANCH. I wonder if you recall did George tell you what to do if somebody picked you up walking out of the drug store with the caps and the powder?

Mr. BRANCH. George didn't tell me nothing, but go in the store and get the caps.

Mr. STEIGER. And he said, just bring them back to him?

Mr. BRANCH. Yes, sir.

Mr. STEIGER. Did he say he would take care of you if they picked you up?

Mr. BRANCH. No.

Mr. STEIGER. Did he tell you why he didn't want to go pick them up himself, he was busy or something?

Mr. BRANCH. He said he couldn't buy them or something; that is what he told me.

Mr. STEIGER. He just couldn't buy them?

Mr. BRANCH. That is right.

Mr. STEIGER. He didn't tell you why he couldn't buy them? He didn't tell you that you might get picked up for it?

Mr. BRANCH. No, he didn't tell me that. If he did, I wouldn't have went in there and got it.

Mr. STEIGER. Did the druggist tell you to be careful leaving? Did he give it to you in a plain——

Mr. BRANCH. The druggist haven't told me anything.

Mr. STEIGER. Did you pay cash for it?

Mr. BRANCH. Yes, sir.

Mr. STEIGER. OK. Thank you.

Mr. PEPPER. Just one other question, Mr. Branch.

You stated when I asked you about the junkies selling heroin, you said there were 2,000 of them around there. Is there much trafficking in heroin in the District of Columbia, in your opinion?

Mr. BRANCH. Right around where I live there is a lot of it.

Mr. PEPPER. There is a lot of it?

Mr. BRANCH. Yes.

Mr. PEPPER. Is it pretty easy to buy heroin in the District of Columbia, in your opinion?

Mr. BRANCH. I don't know. I guess so. I see them get it, buying, doing something around there. I don't know what they are doing.

Mr. PEPPER. Thank you, sir. That is all; you are excused.

Our next witness is Mr. William Pollock. He is the owner of Brentwood Drugs of the District of Columbia.

Mr. Pollock is a licensed pharmacist. He appears today under a subpoena of the Select Committee on Crime.

Mr. Pollock, will you please raise your right hand?

Do you solemnly swear that the testimony you are about to give before the House Select Committee on Crime will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. POLLOCK. I do.

Mr. PEPPER. Have a seat. Mr. Perito, please start the questioning.

Mr. PERITO. Mr. Pollock, you and your wife own a pharmacy; is that correct?

### STATEMENT OF WILLIAM POLLOCK, BRENTWOOD DRUGS, WASHINGTON, D.C.

Mr. POLLOCK. That is correct.

Mr. PERITO. What is the name of that pharmacy?

Mr. POLLOCK. Brentwood Drugs.

Mr. PERITO. Brentwood Drug Store, Inc.?

Mr. POLLOCK. No.

Mr. PERITO. Is it a company?

Mr. POLLOCK. Yes.

Mr. PERITO. Your pharmacy is located where, sir?

Mr. POLLOCK. 1301 Rhode Island Avenue NE.

Mr. PERITO. In Washington, D.C.; is that right?

Mr. POLLOCK. Washington, D.C.

Mr. PERITO. How many employees do you have at that pharmacy?

Mr. POLLOCK. Well, I have a liquor store next door—about 30.

Mr. PERITO. Thirty employees. You are a registered pharmacist, sir?

Mr. POLLOCK. That is right.

Mr. PERITO. And you have been a registered pharmacist in the District for how long, sir?

Mr. POLLOCK. About 30 years.

Mr. PERITO. Between December 9, 1969, and April 20, 1970, a 3 month period, you purchased and/or sold 22 ounces of quinine, and 4-pounds of lactose; is that correct?

Mr. POLLOCK. No.

Mr. PERITO. Do your records reflect that you have not?

Mr. POLLOCK. Not according to our records.

Mr. PERITO. What do your records reflect, sir?

Mr. POLLOCK. Seventeen ounces, and we ordered 1 pound of lactose, and never got it. They were out of it.

Mr. PERITO. Seventeen ounces of quinine?

Mr. POLLOCK. That is right.

Mr. PERITO. Did you sell the majority of that quinine to one customer?

Mr. POLLOCK. That we don't know.

Mr. PERITO. You don't have any knowledge of the sales?

Mr. POLLOCK. But every time we sold an ounce we were told to sell more. We called up the narcotic division and they told us to keep selling to that same party.

Mr. PERITO. Well, you had made some sales before you were contacted by the Federal Bureau of Narcotics and Dangerous Drugs?

Mr. POLLOCK. Every time we made a sale we contacted the narcotics.

Mr. PERITO. Did you make all of the sales personally?

Mr. POLLOCK. No, I didn't make any of them.

Mr. PERITO. Were you first contacted by the Narcotics Bureau before you started to sell quinine?

Mr. POLLOCK. They never contacted us. We contacted them.

Mr. PERITO. How many ounces of quinine hydrochloride did you sell before you contacted them?

Mr. POLLOCK. The first ounce we sold, my pharmacy sold, we got in touch with Sergeant Didione of the narcotics division.

Mr. PERITO. When was that, sir?

Mr. POLLOCK. The early part of this year.

Mr. PERITO. Do your records reflect that you had 17 ounces in that 4-month period?

Mr. POLLOCK. That is right, sir.

Mr. PERITO. Let me clarify this question. You are referring to quinine hydrochloride, is that correct, sir?

Mr. POLLOCK. That is right.

Mr. PERITO. Did you also buy and sell some quinine sulfate?

Mr. POLLOCK. Capsule form.

Mr. PERITO. Only in capsule form.

Mr. POLLOCK. A dozen at a time.

Mr. PERITO. Do you know what quinine hydrochloride is normally used for?

Mr. POLLOCK. Yes.

Mr. PERITO. What is it used for?

Mr. POLLOCK. It is mostly for antimalarial. It is also used for ointments, too.

Mr. PERITO. What about your bulk sales, do you think it is being used as a antimalariant?

Mr. POLLOCK. No. We knew what that was used for. That is the reason we contacted the narcotics division.

Mr. PERITO. I have no further questions, Mr. Chairman.

Mr. PEPPER. What was the total quantity of the things he has sold? Have you got that?

Mr. PERITO. Do you have your records with you, Mr. Pollock? To save the time of the committee, could you leave those records with our committee staff?

Mr. POLLOCK. Sure.

Mr. PEPPER. I would just like to know, would you give it again, if you have already given it, the total quantity of these diluents that you have sold.

Mr. POLLOCK. Seventeen ounces.

Mr. PEPPER. Seventeen ounces.

Mr. POLLOCK. Right.

Mr. PEPPER. That is the total?

Mr. POLLOCK. That is individual bottles, 1 ounce each.

Mr. PEPPER. Have you sold any capsules, No. 5 capsules?

Mr. POLLOCK. No.

Mr. PEPPER. Or any other diluents?

Mr. POLLOCK. No.

Mr. PEPPER. What is your opinion as to whether it would be in the public interest to have a law that would forbid the sale of narcotics paraphernalia; that is, materials used to cut heroin?

Mr. POLLOCK. Definitely, definitely.

Mr. PEPPER. Thank you, sir. Mr. Waldie, do you have any questions?

Mr. WALDIE. Do I understand you to say that every sale you made that had a remote suspicion attached to it that went into heroin traffic, you contacted the authorities?

Mr. POLLOCK. Here is a card.

Mr. WALDIE. I am curious as to what prompted you to do this. Was it your own belief——

Mr. POLLOCK. My own.

Mr. WALDIE (continuing). That this is what was taking place?

Mr. POLLOCK. That is right. In fact, he left us a card of who to call.

Mr. WALDIE. Had they alerted you prior to your being contacted?

Mr. POLLOCK. Yes, sir; they did.

Mr. WALDIE. Thank you.

Mr. WIGGINS. Do I understand, sir, that you learned about the illegal use of quinine from the local police?

Mr. POLLOCK. No; the person who bought it came in for it, the person who bought the quinine, we knew he was a pusher.

Mr. WIGGINS. I see.

You sold to a known pusher, but then immediately advised the police; is that it?

Mr. POLLOCK. Right; that is right.

Mr. WIGGINS. And then the police discussed with you, did they, about what this quinine was used for?

Mr. POLLOCK. In fact, they came out to the store and we pointed him out to them. They said to just keep selling to him. They said, "That is the only way we can keep track of him."

Mr. WIGGINS. Had you had any trade, traffic, in quinine hydrochloride prior to December 1969?

Mr. POLLOCK. No, sir; just for medicinal purposes, just a small amount.

Mr. WIGGINS. How about after April 1970?

Mr. POLLOCK. April 1970, yes.

Mr. WIGGINS. Are you still selling it at the present time?

Mr. POLLOCK. No, sir.

Mr. WIGGINS. When did you stop?

Mr. POLLOCK. I have two pharmacists working for me, and they operate my prescription department, and what they do back there, you know, they order, I never know. I just pay the bills and supervise the store.

But one day I was back there, and this certain fellow came in and he made a purchase of 1 ounce of quinine, and I said, no more. I said that is all.

Mr. WIGGINS. When was that?



Mr. POLLOCK. It must have been about July.

Mr. WIGGINS. I see.

Mr. POLLOCK. Right away I called the narcotics squad.

Mr. WIGGINS. What do you sell an ounce of quinine for?

Mr. POLLOCK. \$7.

Mr. WIGGINS. What is the markup on that?

Mr. POLLOCK. We pay \$4.24.

Mr. WIGGINS. \$4.24?

Mr. POLLOCK. \$4.24.

Mr. WIGGINS. Is that a normal markup?

Mr. POLLOCK. It is the normal markup. It is a prescription item.

Mr. WIGGINS. Have you ever received any publications from the District Pharmacy Board concerning either quinine tablets, caps, or whatever, paraphernalia used commonly in the narcotics trade?

Mr. POLLOCK. I think I received one bulletin on it, but it has been quite a while ago, but that is all that I can recall.

Mr. WIGGINS. Any personal visit other than that generated by this particular incident, that is, a routine call by an investigator or inspector from the Pharmacy Board dropping by to see how his licensees are getting along?

Mr. POLLOCK. Not the Pharmacy Board, but the narcotics squad makes periodical checkups like checking the prescription file for narcotics forgeries and who is using it, and in the matter of due course he talked to me, he would talk about different things, who was using it and what doctor is prescribing a lot of it. That is the only information we get.

Mr. WIGGINS. Thank you, Mr. Chairman.

Mr. PEPPER. Any other questions?

Thank you, Mr. Pollock.

Our next witness will be Mr. Philip M. Minor. Mr. Minor is vice president of the Owens, Minor & Bodeker, Inc., a Richmond, Va., drug wholesaler.

Mr. Minor appears today under a subpoena of the Select Committee on Crime.

Mr. GILMER MINOR. Mr. Chairman, I am Mr. Gilmer Minor. Mr. Philip Minor is my brother.

Mr. PEPPER. Is he appearing as your attorney?

Mr. GILMER MINOR. Not as an attorney. He has some of the records.

Mr. PEPPER. Well, gentlemen, since both of you are going to say something, you will both be witnesses and, if that is so, will you both please hold up your hands.

Do you, and each of you, solemnly swear that the testimony you are about to give before the House Select Committee on Crime will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PHILIP MINOR. I do.

Mr. GILMER MINOR. I do.

Mr. PEPPER. Thank you. Mr. Perito, please proceed with the inquiry.

Mr. PERITO. Thank you, Mr. Chairman. Will the gentleman on the left please identify himself.

**STATEMENT OF GILMER MINOR, PRESIDENT, OWENS, MINOR & BODEKER, INC., ACCOMPANIED BY PHILIP MINOR, VICE PRESIDENT**

Mr. GILMER MINOR. I am Gilmer Minor, and I am president of the company.

Mr. PHILIP MINOR. I am Philip Minor.

Mr. PEPPER. Very good. Have a seat.

Mr. PERITO. Mr. Philip Minor, I will direct my questions to you first. You are associated with your brother in the firm of Owens, Minor & Bodeker?

Mr. PHILIP MINOR. That is correct.

Mr. PERITO. And you are located where, sir?

Mr. PHILIP MINOR. In Richmond, Va., 4825 Bethlehem Road.

Mr. PERITO. How long have you been doing business under that firm name at that address?

Mr. PHILIP MINOR. At that address?

Mr. PERITO. Yes, sir.

Mr. PHILIP MINOR. Approximately 5 years, but we have been in business since 1882.

Mr. PERITO. And you are drug wholesalers?

Mr. PHILIP MINOR. That is correct.

Mr. PERITO. Now, sir, do you stock, as an inventory item, No. 5 empty gelatin capsules?

Mr. PHILIP MINOR. Yes, sir.

Mr. PERITO. Where do you purchase your capsules from?

Mr. PHILIP MINOR. Eli Lilly & Co.

Mr. PERITO. How long have you purchased No. 5 gelatin capsules from Eli Lilly?

Mr. PHILIP MINOR. As far back as the company has existed, I would think, 1882, as far as I know, forever.

Mr. PERITO. Now, directing your attention to August of this year, you instituted a new policy in reference to the distribution of gelatin capsules No. 5, did you not?

Mr. PHILIP MINOR. That is correct.

Mr. PERITO. Would you tell this committee what that policy is and how you came about to institute that new policy?

Mr. PHILIP MINOR. We decided that too many orders were coming in for empty gelatine capsules, so we limited the purchase of empty gelatin capsules to one package of 100 to any single customer per month, and we keep a record, a written record, in our stockroom whenever a purchase is made, noting the date and the name of the customer.

Mr. PERITO. What brought about that change in policy?

Mr. PHILIP MINOR. We figured that too many were going out. We found that the sales were increasing, and we recognized that something was wrong.

Mr. PERITO. Were you advised on or about August of this past year, what the intended use would probably be for these capsules?

Mr. PHILIP MINOR. I was not advised. I already—well, I was aware of it in July when our pharmaceutical buyer called it to my attention that he was noticing that he was buying too many. He called it to my attention and, at that time, I got in touch with the Narcotics Bureau and told them of this fact, and asked them if they wished us to stop

selling them or if we should continue to sell them to help in their investigation. They said that they would let me know.

This was July 30 and it was on a Thursday, they said that they would let me know next Tuesday or Wednesday.

They never called back. But I figured that it was time that these things should stop being sold. So I voluntarily at that time told our warehouse to stop selling them, and we returned to Eli Lilly & Co. all of our excess stock.

Mr. PERITO. Did you find a drastic change in the number of orders, as a result of the change in policy?

Mr. PHILIP MINOR. Yes, sir.

Mr. PERITO. As a matter of fact, in June, you had orders for 274,400 capsules. Do your records show that?

Mr. PHILIP MINOR. Let's see, I have all of the sales. June of 1970, is that it?

Mr. PERITO. Yes, sir.

Mr. PHILIP MINOR. 1,399 boxes, packages, of 100. That is what my record says of June of 1970.

Mr. PERITO. Sir, may I have your figures again?

Mr. PHILIP MINOR. 1,399 packages of 100 capsules.

Mr. PERITO. What happened after you changed your policy, insofar as requested numbers were concerned?

Mr. PHILIP MINOR. In August of 1970, the number came down to 110 packages of 100, and in September they came down to 52 packages, and that is approximately normal. But I think it probably will come down below 52 packages because we are really keeping a very close written record of what is going on.

Mr. PERITO. What about quinine hydrochloride, did you limit the distribution of that substance?

Mr. PHILIP MINOR. We never sold but a very small amount of that. I have the figures if you would like to know. It is approximately—we didn't sell any, let's say very little, approximately 10 ounces, maybe. I have it right here if you would like to know.

Mr. PERITO. Ten ounces of quinine in a whole year?

Mr. PHILIP MINOR. Wait a minute. Quinine hydrochloride in ounces, in January we sold—January 1969, we sold none; February, none; March, none; April, none; May, none; June, none; July, none; August, none; September, none; October, none; November, none; December, none; January, none; February, 1 ounce; March, 1 ounce; July, 2 ounces; and that is all the quinine hydrochloride we sold.

Mr. PEPPER. It is a total of 3 ounces?

Mr. PHILIP MINOR. A total of 4 ounces.

Mr. PEPPER. Four ounces?

Mr. PHILIP MINOR. From January of 1969 to September of 1970.

Mr. PERITO. I have no further questions, Mr. Chairman.

Mr. PEPPER. Mr. Waldie.

Mr. Wiggins.

Mr. WIGGINS. What area do you distribute into, sir?

Mr. PHILIP MINOR. Throughout Virginia, North Carolina, eastern North Carolina.

Mr. WIGGINS. Do you sell to manufacturers of drugs, as well as to pharmacies?

Mr. PHILIP MINOR. We do not sell to manufacturers. We sell only to hospitals and registered pharmacies.

Mr. WIGGINS. Approximately how many outlets do you service?

Mr. PHILIP MINOR. We have three wholesale houses, and I would say probably 1,500 pharmacies.

Mr. WIGGINS. The reason I ask is—

Mr. GILMER MINOR. About 600 drugstores in the State of Virginia, and about 300 in North Carolina.

Mr. WIGGINS. Well, my purpose in asking the question is that your answer tends to put a new dramatic focus on a 17-ounce sale by a single pharmacy of quinine. You are servicing 1,000 individual pharmacies and you have only sold 3 or 4 ounces in a year, more than a year. Have you been contacted by your supplier, the Lilly Co., concerning the potential for abuse of any of these items?

Mr. PHILIP MINOR. A representative of Eli Lilly came into our house about a week ago to discuss—I didn't get into the conversation to begin with. He talked to my brother.

Mr. GILMER MINOR. He came in and talked to us, but just to check on what we were doing, to see, you know, what procedures we were using to control the sale of the items.

Mr. WIGGINS. I see.

Do you recall, either of you recall, any prior contacts from Lilly or for that matter from any other manufacturer of pharmaceutical products in the nature of warnings about the potential for abuse for many of their products?

Mr. PHILIP MINOR. No.

Mr. WIGGINS. That includes both oral as well as written communications. Is that true?

Mr. PHILIP MINOR. I have no—I cannot remember anyone from any manufacturer or really any warning from anybody, to tell you the truth.

Mr. WIGGINS. You have never been contacted, so far as you know, by the State narcotics people or Federal Bureau of Narcotics personnel?

Mr. PHILIP MINOR. We contacted them as far back as January of 1969, the Narcotics Bureau, to advise them that the sale or rather the orders were increasing. But they have not contacted us, we have contacted them.

Mr. WIGGINS. Concerning the sale of the gelatin capsules alone now, did you observe that it tended to concentrate in a certain geographical area or were the heavy sales noted throughout your distribution area?

Mr. PHILIP MINOR. It concentrated in one area.

Mr. WIGGINS. Where?

Mr. PHILIP MINOR. In Richmond, in one retailer.

Mr. WIGGINS. I see.

Without mentioning the name of the retailer, were practically all of your capsules being sold through one retail outlet?

Mr. PHILIP MINOR. That is correct, with the knowledge of the Narcotics Bureau. In fact, in 1969, when we called—this is in January of 1969 when we called the Narcotics Bureau—we told them of our sales, about orders, from this pharmacy, I mean, we told them about our orders. But before we could name or before we named the pharmacy, he said, he mentioned the name himself. He already knew the name of the pharmacy.

Mr. WIGGINS. I understood that you made some cutback in June of this year.



Mr. PHILIP MINOR. That is correct.

Mr. WIGGINS. And yet you say that you received large purchases as far back as January of last year?

Mr. PHILIP MINOR. Let's see. Of empty capsules, January of last year, there were 14 boxes ordered; in February, 48—

Mr. WIGGINS. These are 1969 figures?

Mr. PHILIP MINOR. We made the contact in November of 1969 when the sale jumped from 191 packages in October to 342 packages in November.

Mr. GILMER MINOR. In other words, he said we first made the contact in January of 1969 when actually it was made in November.

Mr. WIGGINS. I understand.

Mr. PHILIP MINOR. Excuse me, the records went back to January, but the sale did not actually increase until November of 1969.

Mr. WIGGINS. To whom did you make the contact?

Mr. PHILIP MINOR. To the Bureau of Narcotics and Dangerous Drugs in Norfolk.

Mr. WIGGINS. The Federal Bureau of Narcotics and Dangerous Drugs?

Mr. PHILIP MINOR. That is correct, BNDD.

Mr. WIGGINS. Did they refer you to any State narcotics officials?

Mr. PHILIP MINOR. No, they did not. In fact, they told us when we—you see, we were wondering whether we were helping in the investigation, so he asked them should we continue to sell these capsules, and they instructed us to continue to sell in the same quantity as we had always sold. They told us to sell in the same quantities.

Mr. WIGGINS. Why did you stop doing it then?

Mr. PHILIP MINOR. Well, we didn't stop until the number got high, until it increased drastically. But we were in touch with the Bureau from time to time.

Mr. GILMER MINOR. Could I relate that? I think I am a little more familiar.

Mr. WIGGINS. Sure.

Mr. GILMER MINOR. We were in touch with the Bureau in Norfolk in November of 1969. From then on our sales continued to climb, to increase, and we tried to contact the Bureau several times with difficulty, as I am sure these agents were terribly busy, and we would leave messages for them to call back if they weren't available, and along about several months later we learned that the agents had changed, but that the new agent we finally contacted was aware of the situation that we were selling these capsules and we were concerned that since the sale was increasing, whether or not we should continue to be in contact since we had heard nothing from the Bureau and, finally, along about when they really got to fairly substantial proportions in August, I believe—no, in July, in July of 1970—

Mr. PHILIP MINOR. They reached a peak in July.

Mr. GILMER MINOR. In July they reached a peak. We contacted a third agent. I have the name if you wish, who still, of course, was in Norfolk. We asked him if we should continue because we were concerned that the sale was getting too big, much larger than we thought it should be.

He said that he would not now instruct us to continue or discontinue. So upon that knowledge, we took it upon ourselves to discontinue the sale, to return to the manufacturer all excess stocks and to

limit the sale to 100 capsules per month per customer, which ordinarily would take care of his regular pharmaceutical needs.

Mr. WIGGINS. Do either of you gentlemen have any suggestions to this committee? You know what we are after here. You have heard much testimony today, and I would like to, on behalf of the committee, call on your considerable knowledge in this field as to what regulations and/or laws, if any, do you think would be appropriate to deal with the problem.

Mr. PHILIP MINOR. We both think that laws need to be made because I think it is not clear, I mean, these have not been designated as drug abuse items.

Now, we ordinarily keep a very close record of all sales of all drug abuse items to every customer. But these are not drug abuse items. They have not been designated as such, and we think they need to be designated as dangerous drugs.

Mr. WIGGINS. Do you sell in Maryland?

Mr. PHILIP MINOR. No, we do not sell—

Mr. GILMER MINOR. Very little, a tiny amount.

Mr. PHILIP MINOR. On the Eastern Shore, a little bit.

Mr. WIGGINS. Do you have anything to add to that, Mr. Minor?

Mr. GILMER MINOR. One thing was not covered, and I don't think my brother was familiar with it, and that was, yes, this investigation inferring just to the Richmond house or all of our houses. When you asked—

Mr. WIGGINS. I think the chairman will address himself to that. I am hoping you are giving us data with respect to all of your operations.

Mr. PEPPER. I was going to ask you about some others, but you go ahead.

Mr. GILMER MINOR. The Richmond house, my brother was referring to the Richmond house, in regard to the empty gelatin capsules. That was the only item in the Richmond house that seems to be out of line.

We had one other occasion in our Norfolk house concerning quinine and that was handled in a much different manner.

Mr. PEPPER. How was that? Will you tell us?

Mr. GILMER MINOR. Well, I don't know whether the case is still under investigation or not so, because of that, I would prefer not to go into too much detail.

Mr. PEPPER. Very well.

Mr. GILMER MINOR. But I can give you whatever information you would require which would not—under the circumstances which would not—deter any investigation that might be underway.

Mr. PEPPER. Are you selling any of these other diluents?

Mr. GILMER MINOR. Very small quantities. We checked our records on the other things and they were sold in very small quantities.

Mr. PHILIP MINOR. Let me cover both of those points.

In the quinine sale in Norfolk we worked with the Narcotics Bureau before we sold it. In fact, we have always worked with the Narcotic Bureau before we sold any of this type of thing.

Now, getting back to your second question, we have sold some lactose, but it has gone almost, the majority of it, to the Veterans Administration Hospital, the lactose, and we have sold some dextrose, but that has gone, and almost, well, 100 pounds, we sold some 100 pounds, but that has gone to the C. & O. Hospital in Clifton Forge.

We understand they use dextrose there to make a dextrose solution, but we have the records here of all of our sales, and we would be glad to enumerate them if you wish, or we would be happy to turn them over.

Mr. PEPPER. But you have not had what you would call unusual applications for purchases of those.

Mr. GILMER MINOR. No, sir.

Mr. PEPPER. I don't want to interrupt you as a witness here, but what about amphetamines, do you handle those?

Mr. PHILIP MINOR. Yes. They are drug abuse items and we have, as I say we have, them under extremely close control, keeping a record of every purchase, the date of purchase and the customer.

Mr. PEPPER. Do you sell large quantities of amphetamines?

Mr. PHILIP MINOR. No. Well only to registered pharmacies which have received prescriptions from doctors. We do not sell amphetamines in large quantities and purchase them only from the leading drug-maker, Smith Kline & French.

Mr. PEPPER. We have evidence before this committee that some 8 billion amphetamine tablets are being used in this country over the year.

Mr. PHILIP MINOR. We have not been in on any of that except that, as has been ordered to the retail stores, which have been presented with prescriptions by doctors. As far as we know, that is it.

Mr. PEPPER. Could anybody write you—we have evidence that, as there have been in other cases—can anybody write your wholesaler and say he wanted to buy so much of amphetamines and get them delivered?

Mr. PHILIP MINOR. Of course, he could not, absolutely not. We do not sell any drugs, at all, to an individual, and we would not sell it, even with a prescription. We wouldn't even sell it with a prescription.

Mr. WIGGINS. How do you know who writes the letter? Suppose it is the letterhead of the Ajax Pharmacy in Baltimore, Md., which places an order with you for 500,000 amphetamine tablets. Do you assume——

Mr. PHILIP MINOR. We would not sell that, absolutely.

Mr. GILMER MINOR. Unless we are familiar with the pharmacy we will not sell, unless we know him as a customer. We would not sell to an unknown customer.

Mr. WIGGINS. Do you sell it as a mail-order business?

Mr. GILMER MINOR. Absolutely not; no, sir.

Mr. PHILIP MINOR. No, sir.

Mr. STEIGER. Gentlemen, at the time that you reduced your sale of No. 5 gelatin caps, did you consider that you might jeopardize your business relationship with that particular pharmacy? Were you concerned about losing the business?

Mr. PHILIP MINOR. No. We were not concerned about losing the business one way or the other. We were concerned only with whether it was the correct thing to do, whether it was the responsible thing to the community to stop selling them and, of course, we did not know. I mean, we were trying to work with the Narcotics Bureau to see if they wanted us—I mean, we also wanted to see if they wanted us—to continue to sell and, at that time, the agent said do not sell “until we let you know about 4 or 5 days later,” which they never let us know. But we did not sell any more after that.

Mr. STEIGER. Other than the contact which you mentioned about a week ago from the supplier in which they discussed the No. 5 gelatine capsule caps, I gather, did you have any—did the salesman from the manufacturer at any time indicate that this might be a good time to stock up on No. 5 capsules because they were a hot item?

Mr. PHILIP MINOR. No, indeed.

Mr. STEIGER. So far as you are concerned, the demand came only from the one, in the case of the caps, came only from the one store in Richmond?

Mr. PHILIP MINOR. That is right, with whom the Narcotics Bureau was working; and also the Narcotics Bureau was working with us and this retail store.

Mr. STEIGER. Are you licensed under the Virginia Pharmacy Board?

Mr. GILMER MINOR. As wholesalers.

Mr. PHILIP MINOR. Yes.

Mr. STEIGER. Is that renewal annual or semiannual?

Mr. GILMER MINOR. Annual.

Mr. STEIGER. Have they ever advised you as to the dangers of narcotic paraphernalia; have they?

Mr. PHILIP MINOR. Not in our——

Mr. GILMER MINOR. In our bulletins—I don't read them too carefully because I am not a pharmacist—but they did very recently have a meeting of the Richmond Pharmaceutical Association, had a meeting in Richmond, on the subject of drug abuse to inform druggists of what was going on, on which program we had drug addicts, narcotics squad representatives, and so forth. So quite a bit is being done to educate.

Mr. STEIGER. That was from within the industry, and not by the board of pharmacies?

Mr. GILMER MINOR. That is correct.

Mr. STEIGER. Do you ever recall a wholesaler or retailer having his license revoked for abuses, either narcotics or something else?

Mr. GILMER MINOR. Yes, sir.

Mr. STEIGER. So it is a working board, but they have not concerned themselves with advising the licensees on this specific matter?

Mr. GILMER MINOR. I wouldn't say that, sir. I say I have not studied the bulletins that carefully, and in my position I probably would not, although maybe I should, but I am sure that the pharmacists of Virginia are familiar with the situation and have this knowledge.

Mr. STEIGER. Do you believe that Virginia pharmacists as a whole would welcome a law that would designate narcotics paraphernalia as being in the same category as the dangerous drugs themselves?

Mr. PHILIP MINOR. I think they would, and I think they should and would.

Mr. STEIGER. And that would be your feeling about the matter also?

Mr. GILMER MINOR. I think that 99 percent are in accord with doing whatever is necessary to get this under control.

Mr. STEIGER. Thank you, Mr. Chairman.

Mr. PEPPER. Just one other question. I understand in June of 1970 you sold 274,400 of these No. 5 capsules. Now, you told us that you do business in Virginia and North Carolina and a little bit on the Eastern Shore of Maryland.

Were those orders coming in from one or two pharmacies or just generally?



Mr. PHILIP MINOR. Ninety-five percent were coming from one pharmacy.

Mr. PEPPER. Ninety-five percent coming from one pharmacy.

Mr. PHILIP MINOR. And that pharmacy was one that the Narcotics Bureau was working with.

Mr. PEPPER. I see.

Well, gentlemen, I am sure I speak for the committee, and certainly for myself, in commending you for taking this exemplary attitude you have taken. I think it shows a fine sense of business and civic responsibility that you became concerned about it and you did not want to be a part of it, of so nefarious an operation as trafficking in heroin.

Mr. REIDA. Mr. Chairman.

Mr. PEPPER. Thank you very much. Mr. Reida, our associate chief counsel, wishes to ask a question.

Mr. REIDA. Gentlemen, have you made a compilation of the total gelatin capsule sales for 1969 and to date for 1970?

Mr. PHILIP MINOR. We have them listed here but have not added them up. You already have the information.

Mr. REIDA. Will you leave it with the committee so we can insert it in the record?

Mr. PHILIP MINOR. Yes, sir.

(The material referred to above was retained in the committee files.)

Mr. PEPPER. Thank you very much, gentlemen, for coming.

We have only two more witnesses today. Our next witness is Mr. John R. McHugh of the Peoples Drug Stores of Washington.

Mr. McHugh, who holds a bachelor of science degree from the George Washington University School of Pharmacy, is a registered pharmacist in the District of Columbia and the State of Florida.

He joined Peoples Drug Stores in 1950 as a clerk, and has held his present position since 1964. He is a past president of the District of Columbia Pharmaceutical Association and the city of Washington branch of the American Pharmaceutical Association. He is also a member of numerous professional organizations.

In 1963, Mr. McHugh was named winner of the A. H. Robins Community Service in Pharmacy Award by the District of Columbia Pharmaceutical Association. We are pleased to have you with us, Mr. McHugh. Mr. Perito will commence the examination.

Mr. PERITO. Mr. McHugh, what position do you presently hold with the Peoples Drug Stores?

#### **STATEMENT OF JOHN R. McHUGH, DIRECTOR, PROFESSIONAL SERVICES, PEOPLES DRUG STORES**

Mr. McHUGH. I am the director of professional services.

Mr. PERITO. How many drugstores does Peoples have in its chain?

Mr. McHUGH. Approximately 250.

Mr. PERITO. Have you undertaken a survey of the number of Nos. 4 and 5 gelatin capsules and the amount of quinine hydrochloride, lactose, and dextrose, which are sold by Peoples Drug Stores?

Mr. McHUGH. I have as far as the warehouse level goes. I do not have figures of retail sales.

Mr. PERITO. Now, your figures go back to 1967?

Mr. McHUGH. Yes, they do.

Mr. PERITO. Could you tell us, sir, what your figures show for the years 1967 through 1970 insofar as Peoples Drug Stores are concerned for those four items; namely dextrose, lactose, quinine hydrochloride, and No. 5 gelatin capsules.

Mr. McHUGH. Yes, sir; I will.

Quinine sulfate, in the year 1967 all of our stores together drew 10 bottles of 1 ounce each.

Dextrose—oh, excuse me, do you want me to continue with quinine?

Mr. PERITO. Yes, sir.

Mr. McHUGH. In 1968, seven bottles of 1 ounce each; in 1969, four bottles of 1 ounce each; and in 1970 for 7 months, three bottles of 1 ounce each, and this was quinine sulfate. We do not and have not ever, to my knowledge, warehoused quinine hydrochloride.

Mr. PERITO. What about empty No. 4 and No. 5 gelatin capsules?

Mr. McHUGH. Empty gelatin capsules, No. 5 and No. 4, we do not warehouse at all. Our individual stores would have the privilege if they needed them to buy from a local wholesaler their needs. However, in my opinion, their needs are practically nonexistent.

Mr. PERITO. The need for empty No. 4 and No. 5 gelatin capsules for your local stores: namely, the 250, are practically nonexistent?

Mr. McHUGH. Of the No. 4 and No. 5 capsules.

Mr. PERITO. I refer you now to your compilations for lactose.

Mr. McHUGH. In lactose, in the year 1967 our stores drew 156 bottles of 1 pound each; in 1968, for 10 months, at which time we discontinued the sale, they drew 144 bottles of 1 pound each.

Mr. PERITO. Why did you discontinue the sale of lactose?

Mr. McHUGH. We didn't feel that this amount or this demand was sufficient to warrant warehousing and distributing the product.

Mr. PERITO. Directing your attention now to your statistics for the final category; namely, dextrose.

Mr. McHUGH. Yes. In the year 1967 our stores drew 216 1-pound packages of dextrose. In the year 1968, for 6 months, at which time we discontinued the product, they drew 113 packages of 1 pound each.

Mr. PERITO. Have you ever had discussions with anyone from the Federal Bureau of Narcotics and Dangerous Drugs regarding the distribution and sale of narcotic adulterants or diluents?

Mr. McHUGH. Yes, I have.

Mr. PERITO. As a result of those conversations, did you institute any new policy regarding the sale of adulterants, diluents, and No. 5 and No. 4 gelatin capsules?

Mr. McHUGH. Yes. We discontinued—excuse me, not discontinued—but back as far as 1960 we published warnings at that time to our pharmacists that, in our opinion, the use of No. 4 and No. 5 capsules was primarily for illegitimate uses, and we wished to discourage their sale at that time.

Now, this was not as a result of my discussions with the Narcotic Bureau people at that time. I was not in my present position. However, since I have been in this position, since 1964, I have on several occasions spoken to Narcotics Bureau people on both Federal and State and local levels about the use and sale of these products. We do have a good working relationship with these people.

We had encouraged our pharmacists in the past not to sell No. 4 and No. 5 gelatin capsules, and we even went so far as to ask them at one time to report any requests that they may have for these products, and if they were able to get the license number from an automobile of anyone requesting purchase, particularly of No. 5 capsules, they were to report that fact.

However, it has been, I must say, several years, quite a few years, since we have published that type information.

I had been concerned that, perhaps, our pharmacists might come to some bodily harm if they tried to act too much like a policeman.

Mr. PERITO. What would be, then, your best estimate of the normal and legitimate drugstore needs for No. 4 and No. 5 capsules?

Mr. McHUGH. I would say there is practically no need for having them.

Mr. PERITO. Would you say the same thing, then, for quinine hydrochloride?

Mr. McHUGH. No, I wouldn't go quite that far because there are still some legitimate prescriptions being written for quinine hydrochloride, in insignificant amounts. But, however, it is being prescribed, so I would think there is still a legitimate need for the product. However, I would recommend placing it on prescription only.

Mr. PERITO. What would you say your conclusions are in reference to the sales of dextrose and/or lactose?

Mr. McHUGH. This gets a little more difficult because there is some use for lactose and dextrose in baby formulas and in hospital usage of these products, so my mind is not clear on whether I would recommend putting these items on prescription or not. I think this requires some more investigation on the committee's part.

Mr. PERITO. I have no further questions, Mr. Chairman.

Mr. PEPPER. Any further questions?

Thank you very much. We appreciate your coming, Mr. McHugh, and we were interested in this information.

The next, and last, witness is Mr. Edward D. Spearbeck, vice president for professional services of Drug Fair.

We are pleased to welcome Mr. Spearbeck, vice president for professional services of Drug Fair, a large Washington area drug chain.

Mr. Spearbeck, a native of Arlington, Va., holds a bachelor of science degree from the George Washington University School of Pharmacy. He has been with Drug Fair for 18 years, and in his present position heads the complete range of prescription departments in approximately 120 stores.

He is a member of the executive council of the Virginia Pharmaceutical Association and is a past president of the Potomac Pharmaceutical Association.

Mr. Spearbeck, we are pleased to have you. Mr. Perito will begin the questioning.

Mr. PERITO. Mr. Spearbeck, how large is your drug chain?

#### **STATEMENT OF EDWARD D. SPEARBECK, VICE PRESIDENT, PROFESSIONAL SERVICES, DRUG FAIR**

Mr. SPEARBECK. 125 stores.

Mr. PERITO. What position do you hold, in that chain.

Mr. SPEARBECK. Director of professional services, vice president in charge of professional services.

Mr. PERITO. Have you undertaken to make a survey of your sales of various items which have been referred to by the committee as narcotics paraphernalia and diluents; namely, dextrose, lactose, quinine hydrochloride, and No. 4 and No. 5 gelatin capsules?

Mr. SPEARBECK. Yes. After a preliminary discussion with a member of your staff, we did do a quick hurried research into each pharmacy, a telephone check, to determine the actual position we were in at the time, which I summarized in my letter to you all.

Mr. PERITO. Were they for the years 1969 and 1970?

Mr. SPEARBECK. That survey was for the year 1970.

Mr. PERITO. Could you tell us, sir, what, if any, demand you have in your 125 stores for No. 4 and No. 5 empty gelatin capsules?

Mr. SPEARBECK. No. 5 capsules are almost a useless commodity as far as a pharmacist is concerned. We did have one store, however, that did use a considerable amount of them. This was done in conjunction with the police department which, I believe, is still an open case that is being worked out.

As far as quinine, the quinine which has been sold in the stores has been in the form of capsules which are generally sold about 12 to a box. This is still an old-time remedy that does exist.

The amount of dextrose and lactose was very, very minimal. Once in a while there would be a particular pediatrician who would require a little bit to be mixed with a baby's formula. In total, the amounts were very, very small.

Mr. PERITO. Did there come a time when you became aware of a problem involving the sale of these quantities?

Mr. SPEARBECK. Well, I would say that I have been aware of it for some time personally because early in my career I had an experience with a junkie using some. I knew what he was trying to use, and I became aware of what they did use and wanted to use.

Mr. PERITO. As a result of your awareness, did your chain institute a policy regarding the sale of these four items?

Mr. SPEARBECK. Basically we have no policy on it, as far as a firm written policy is concerned. We discourage stores even keeping No. 4 and No. 5 capsules in the store. We do not stock any of either or any of these products in our own warehouse, so any they do obtain they would have to obtain through a local wholesaler. They would not obtain it through our warehouse, which generally would mean that we can only count 33 or 40 percent of the stores having the commodities in their stores.

Mr. PERITO. To your knowledge, then, based upon your experience, a normal and legitimate pharmacy would have little or no need for No. 4 or No. 5 gelatin capsules.

Mr. SPEARBECK. I would say, as a pharmacist, I have never punched a No. 5 capsule. I would hope I would never have to punch a No. 5 capsule because I wouldn't know exactly how to fill it up, frankly. It is just too small to work with.

The same thing with a No. 4. I wouldn't, as a pharmacist, working at the counter. I would like to get at least a size 2 capsule because I think it is a more workable size to dilute down whatever potent drug you have. Anything smaller than a No. 2 gets just a little bit too small to work with, frankly.



Mr. PERITO. What is your professional opinion then regarding the stocking, in bulk, of lactose, dextrose, and quinine hydrochloride?

Mr. SPEARBECK. I would propose that all these products be placed on Federal legend; be placed on the Federal legend drug list; that these drugs should be controlled and should bear the Federal legend. I think this would accomplish the purpose at the retail level of closing off as a source of supply for the illicit trade. I think that would be all that would be necessary.

Mr. PERITO. That is all, Mr. Chairman, I have no further questions.

Mr. PEPPER. Any questions?

Mr. WIGGINS. I am concerned only with one thing. Do your individual outlets retain the right to make purchases from separate wholesalers?

Mr. SPEARBECK. Yes. We run a rather extensive warehouse, probably one of the most extensive in the drug industry. However, at best, we can only supply somewhere in the neighborhood of about 85 percent of the pharmaceutical needs, the reason for this is there is such a diversity in neighborhoods.

Mr. WIGGINS. Are you satisfied that the figures you gave us with respect to the capsules, quinine, dextrose, and so forth, fairly represent the amounts used throughout your entire chain, and that there have not been separate purchases of large quantities in those items from other wholesalers?

Mr. SPEARBECK. Yes. The reason being most of the wholesalers that we are doing our primary business with are aware of the situation. As a matter of fact, the primary wholesaler that we prefer and insist that our stores do business with, if there is a sale, particularly of No. 5 capsules, before it is delivered, they contact us.

Mr. WIGGINS. I see.

Mr. SPEARBECK. And we will contact them back to tell them either to deliver it to the store or not to deliver it.

Mr. WIGGINS. Thank you.

Mr. PEPPER. Mr. Steiger.

Mr. STEIGER. Mr. Spearbeck, is it your view that the pharmacy board or boards in your case could play a greater role in the policing of the industry than they now do or do they play a proper role now, or could they do a better job?

Mr. SPEARBECK. Yes, I believe they could do a better job.

Mr. STEIGER. Reading the District of Columbia statute very hastily, it appears that the primary purpose is to protect the pharmacists from excessive competition. There seems to be very little in there protecting the consumer. I know it is in the interests of the profession to protect the consumer but I just wondered, would you—I gathered from your statement that you thought that if we included these paraphernalia in the Federal legend you felt that would solve the problem. Are you saying we don't need a specific dangerous drug application to paraphernalia, you don't think that would be necessary?

Mr. SPEARBECK. No, sir; I don't believe it would be necessary at all. I feel that there are now thousands of drugs on the market that bear a Federal law prohibits dispensing without a prescription quotation, and this is at the retail level which controls the sale of these products.

Very simply, I think most pharmacists—it is amazing how naive the average pharmacist is about the use of quinine and what people are

using it for and may come in and order quantities of it for; unless they have had a contact or unless you tell them over and over. I would say the boards of pharmacy at this point would do well to bulletinize continuously about the use of lactose and dextrose and quinine.

Mr. STEIGER. Do you know of any other container or any other nonchemical or organic matter such as a gelatin cap which is on the Federal legend which would be a matter for prescription?

Mr. SPEARBECK. No; no, sir.

Mr. STEIGER. I guess I don't mean gelatin, something for somebody who is suffering from a bad stomach. It just does not seem to me that the caps lend themselves to prescription.

Mr. SPEARBECK. As far as I am concerned, they might work well in a manufacturer's capsulating machine, but on a prescription counter trying to punch, it would be very punitive to me. I have never tried it, and I hope never to have to try it.

Mr. STEIGER. The only point is if we are going to limit this thing it is entirely possible we need some language prohibiting the excessive amounts of caps as well as the quinine and the other diluents.

Mr. SPEARBECK. Well, to make myself clear, what I would say, I think the labeling on the package is that these products should be placed under regulations governing drugs which require that, at the retail level, they will only be dispensed to a patient upon presenting a prescription. I think this would give you control at the retail level.

Now, your dangerous drug act would give you more control at the manufacturing and wholesale levels.

Mr. STEIGER. I have no further questions.

Mr. SPEARBECK. If you want to go that far, I won't even fight your going that far.

Mr. PEPPER. Thank you very much. We will take a recess until 9:30 in the morning.

(Whereupon, at 5:20 p.m., the committee adjourned, to reconvene at 9:30 a.m., Tuesday, Oct. 6, 1970.)



# CRIME IN AMERICA—THE HEROIN PARAPHERNALIA TRADE

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TUESDAY, OCTOBER 6, 1970

HOUSE OF REPRESENTATIVES,  
SELECT COMMITTEE ON CRIME,  
*Washington, D.C.*

The committee met, pursuant to notice, at 9:50 a.m., in room 2318, Rayburn House Office Building, Hon. Claude Pepper (chairman) presiding.

Present: Representatives Pepper, Nix, Waldie, Wiggins, and Steiger.

Also present: Paul Perito, chief counsel; Larry Reida, associate chief counsel; Arnold Shulman, assistant counsel; and Leroy Bedell, Jr., hearings officer.

Mr. PEPPER. The committee will come to order, please.

We are sorry but we had some matters to discuss and unfortunately we are starting a little late; we thank all and apologize for our slight tardiness.

The Select Committee on Crime today continues its hearings into the heroin paraphernalia trade in the Greater Washington area.

The aim of these hearings is, among other things, to document the need for a new Federal and/or District statute regulating the manufacture, distribution, and sale of items used to cut and dilute heroin, such as quinine, dextrose, mannitol, mannite, and lactose. These substances are often used to cut pure heroin. Often heroin after it is cut is then packaged in glassine envelopes and No. 5 gelatin capsules.

The need for a uniform Federal paraphernalia statute is clear. Detective Frank Mazzone of the Maryland State Police testified here yesterday that, since Maryland enacted a paraphernalia statute, Maryland pushers have in most instances been forced to buy their capsules and quinine out-of-State.

The effect of Maryland's innovative paraphernalia statute is greatly handicapped by the lack of similar laws in neighboring jurisdictions like Pennsylvania and the District of Columbia.

In almost all States, the pharmacists who make 400- and 500-percent profits on the sale of paraphernalia are immune from prosecution under present laws. We saw yesterday examples of citizens who, while they must have had moral qualms, did not have enough agitation of their consciences to deter them from making an enormous profit from the sale of these things that go into the distribution and illicit sale of heroin. Regrettably, these profiteers become associated with one of the most nefarious and menacing kinds of trafficking going on in this country. We feel that this situation cannot be allowed to continue. Those who knowingly profit and actively participate in



the paraphernalia trade are as much a part of the illegal heroin distribution pattern as the pusher himself. Certainly, legitimate businessmen have a community responsibility to refrain from engaging in activities which are legal, in themselves, but which contribute to illegal activities. The Federal Government cannot and should not act as a policeman standing in every drugstore. There is a clear need for greater self-control among members of the pharmaceutical profession, as well as, of course, the need for a prohibition in the law against those who will not respond to the moral obligations which we think should challenge people who have an essential sense of community responsibility.

Mr. STEIGER. Mr. Chairman, I wonder if it would be appropriate at this point as a recommendation of the committee that we make available the transcript of Mr. Cohen's testimony and Detective Favasuli's statement. We could make those statements available to the Pennsylvania Pharmacology Board in the hope that they might be inspired to take some action.<sup>1</sup>

Mr. PEPPER. Mr. Steiger, I think that is a good suggestion and, without objection on the part of the committee, the staff will see to it that the transcript of testimony is delivered to the Pennsylvania Pharmacy Board.

Now, our first witness this morning, who is appearing voluntarily, is Mr. Henry F. De Boest. Mr. De Boest is vice president of corporate affairs of Eli Lilly & Co. Mr. De Boest, will you please take the chair?

Mr. De Boest, as vice president for corporate affairs of the Eli Lilly Co., is in one of the most important positions of one of the Nation's largest pharmaceutical houses. Mr. De Boest is accompanied by Mr. John M. Holt, senior attorney for the Eli Lilly Co. We are pleased to have you both.

Mr. De Boest, you may, at your pleasure, either read your prepared statement or put it, in full, in the record and summarize it orally, whatever is your pleasure.

**STATEMENT OF HENRY F. DE BOEST, VICE PRESIDENT, CORPORATE AFFAIRS, ELI LILLY & CO., ACCOMPANIED BY JOHN M. HOLT, SENIOR COUNSEL**

Mr. DE BOEST. Mr. Chairman, I prefer to read it since I think it will elucidate several points for all of us.

Mr. PEPPER. Very well. We are glad to have you do so. You may proceed.

Mr. DE BOEST. May I express, on behalf of Eli Lilly & Co., our appreciation for this opportunity to appear before the Select Committee on Crime. We trust that our testimony will provide meaningful and constructive information on a problem of grave concern to us all.

Eli Lilly & Co., founded in 1876, produces one of the broadest lines in the pharmaceutical industry, supported by extensive research programs. In our catalog are approximately 750 pharmaceutical products for human use. In the United States, Eli Lilly & Co. sells these products to approximately 400 wholesale distributors and to the U.S.

<sup>1</sup> On Dec. 11, 1970, pursuant to a request from the Office of the Attorney General of the Commonwealth of Pennsylvania, and an affirmative vote of the majority of the members of the House Select Committee on Crime, a copy of Leonard Cohen's testimony before the committee was forwarded to Assistant Attorney General Wilt by Paul L. Perlto, chief counsel of the committee.

Government. These wholesalers, in turn, sell to approximately 50,000 retail and 8,000 hospital pharmacies.

For nearly 100 years, Eli Lilly & Co. has concerned itself with health. It is appropriate, therefore, that I open our testimony before this committee today by declaring that we share this committee's interest in combating drug abuse.

Mr. PEPPER. We are pleased to hear that. Of course, we are grateful for your cooperation, Mr. De Boest.

Mr. DE BOEST. Thank you, sir.

We believe that our Nation faces no more important problem today than that of illegal drugs and the illicit use of legal-but-dangerous drugs.

In particular, we are distressed that some empty gelatin capsules produced by our company are being used for illicit purposes by individuals involved in the sale of heroin.

We consider this to be an intolerable situation.

We are prepared to take all reasonable steps to contribute to the solution of this problem.

We will continue to cooperate with this committee and with other agencies of government—Federal, State, and local—in fighting drug abuse, and we are grateful for the information concerning the illicit use of empty capsules that has been given to us by this committee.

This committee is concerned with the sale of the small empty gelatin capsules that are identified in the industry as No. 5. In 1969, Lilly sales of these empty capsules to wholesalers totaled \$75,000. I should note that this is approximately one-fourth the amount we are spending this year on drug abuse education. Through September 1970, sales of these empty capsules were \$71,000. All were produced on one machine working parttime in one Lilly factory. They amounted to less than 1 percent of our total empty capsule production; and our empty capsule business is, of course, only a small part of our entire business. Sales of our No. 5 empty capsules to wholesalers are negligible, from a dollar standpoint, when measured against our total 1969 sales of more than \$537 million. I might point out, Mr. Chairman, that the profits after taxes that we estimate on these sales are approximately \$7,500.

The degree of our concern, however, cannot be measured against these yardsticks.

Eli Lilly & Co. has been producing empty gelatin capsules since 1898. They are manufactured in eight sizes, in approximately 12,000 color combinations, and they range in size from No. 000, which is the largest, to No. 5, which is the smallest. To provide the committee with an indication of the variety available we would like for you to see a capsule color selector. By twirling the wheel you can get any combination that seems to appeal to your sense of aesthetics.

Mr. PEPPER. Is there a reason for your having such a variety of colors?

Mr. DE BOEST. Yes, there are several reasons. Identification is one with various manufacturers. Modification of a particular series of dosage forms for one manufacturer is another. He may go from a certain intensity of color down through shadings and all of that sort of thing to make identifications easier for the physician and the patient.

As stated, we sell or use our capsules in three different ways:

(1) Empty capsules are used in the manufacture of our company's own pharmaceutical products, so that we are ourselves, in a sense, our own biggest customer;

(2) Elanco Products Co., a Lilly division, sells empty capsules to about 150 pharmaceutical manufacturers in the United States and to a number of industrial users; and

(3) A limited number of empty capsules are distributed through wholesalers and this is the portion of the market we are speaking of. They are important for pharmacies in compounding prescriptions primarily.

I shall discuss the No. 5 empty pink capsules and clear capsules that we sell to approximately 400 Lilly wholesalers for prescription compounding by retailers. We have here a display of the sizes of clear empty capsules available to wholesalers so that we can show the members of the committee what it is we are talking about.

Mr. PEPPER. Excuse me. While you pause, I would like to announce that another distinguished member of our committee, Mr. Robert Nix of Pennsylvania, is with us this morning. So we have five members present.

Mr. DE BOEST. During an annual review of products of our company in mid-1970, we noted that sales to wholesalers of these No. 5 pink and clear empty capsules, which are the smallest ones you have in your display there, had increased. About the same time we received from the field rumors of a use of such empty capsules for heroin packaging.

Mr. PEPPER. That was in 1970?

Mr. DE BOEST. This was in May and June, sir. These were of sufficient interest to warrant further investigation.

Mr. PERITO. Mr. De Boest, excuse me. Was this investigation part of your regular yearly review of your product lines?

Mr. DE BOEST. Yes, sir.

Mr. PERITO. When was it recognized that there was an appreciable increase in the sale of No. 5 gelatin capsules?

Mr. DE BOEST. Yes; this review, as you can appreciate, covering 750 items as it does, is rather a time-consuming thing and takes a matter of a week or 10 days. In the process of going through all of these things, we noticed the 1969 sales record on No. 5 empty capsules had unaccountably increased considerably.

Mr. PERITO. Do you know the percentage of increase over your sales of capsules the year before.

Mr. DE BOEST. It has been supplied to the committee. It does not come to mind immediately, but it was rather appreciable.

Mr. PEPPER. 1969 over 1968?

Mr. DE BOEST. Yes, sir.

Mr. HOLT. Mr. Chairman.

Mr. PEPPER. Yes.

Mr. DE BOEST. 1970 over 1969—not 1969 over 1968.

Mr. HOLT. We have not provided that data to the committee, Mr. Chairman. The data we have given the committee is for 1969 and 1970 but the review Mr. De Boest is speaking about occurred in 1970 and was based on 1969 sales.

Mr. DE BOEST. We will straighten that point out for you.

Mr. PEPPER. Say for the last 5 years, look at that, and see whether or not there has been a perceptible increase.

Mr. DE BOEST. Yes, sir.

Mr. PEPPER. Thank you.

(The following letter was received by the committee:)

ELI LILLY & Co.,  
Indianapolis, Ind., November 2, 1970.

Re Request for Information on Sales of #5 Pink and Clear Empty Capsules by Eli Lilly and Company to Certain Pharmaceutical Wholesalers.

Mr. ARNOLD G. SHULMAN,  
Associate Counsel, Select Committee on Crime,  
House of Representatives.

DEAR MR. SHULMAN: During the hearing before the Select Committee on October 6, we were requested to provide information on sales to wholesalers of No. 5 empty capsules for a 5-year period.

The following table contains this information.

ELI LILLY & CO. SALES TO WHOLESALERS OF NO. 5 EMPTY GELATIN CAPSULES  
[Units—Millions]

|           | Pink  | Clear |
|-----------|-------|-------|
| 1965..... | 1.08  | 5.90  |
| 1966..... | 1.82  | 8.01  |
| 1967..... | 3.22  | 13.12 |
| 1968..... | 7.46  | 18.97 |
| 1969..... | 16.45 | 16.54 |

Very truly yours,

JOHN M. HOLT, *Senior Counsel.*

Mr. DE BOEST. Our people checked with law enforcement personnel in various parts of the country and from the various bureaus and agencies contacted we received mixed reports, including the use of balloons for heroin packaging in the Los Angeles area, the use of No. 5 pink empty capsules in some areas, and of No. 5 clear empty capsules in others. We also knew of the use of glassine bags for the packaging of heroin in the New York area.

This checking procedure was underway when Mr. Shulman of the Select Committee on Crime staff called us on August 27. He advised us of the use of the No. 5 pink and clear empty capsules in the Washington, D.C., area for the packaging of heroin and requested information regarding sales to certain wholesalers. Following this we took these steps;

(1) We reviewed sales records for No. 5 empty capsules to all 400 U.S. wholesalers for 1969 and 1970 and found that sales were high in certain geographic regions;

(2) On receipt and analysis of this information, we initiated an order-checking procedure at Indianapolis;

(3) We gave the Bureau of Narcotics and Dangerous Drugs information on 1969 and 1970 sales of No. 5 pink and No. 5 clear empty capsules to wholesalers in the United States, following discussion and their request for such information; and

(4) We advised all wholesalers by letter under date of September 15 that (a) we had been informed that No. 5 empty capsules were being used for the illicit packaging of heroin; (b) other empty capsule sizes might also be used for illicit purposes; and (c) we were ending direct shipments of all empty capsules to pharmacies, and here I think I need



to explain that such direct shipments are known in the trade as third-party shipments. These are shipments made on behalf of the wholesaler to a pharmacy for reasons of convenience or because the wholesaler may not have been able to deliver out of his inventory certain things, so they were shipped from Indianapolis, but these are wholesaler sales.

Mr. PERITO. Mr. De Boest, would the normal billing procedure be directed from your company to the consignee directly?

Mr. DE BOEST. No.

Mr. PERITO. It would not?

Mr. DE BOEST. No.

Mr. PERITO. So the billing is from the company to the wholesaler?

Mr. DE BOEST. The billing is through the wholesaler. (*d*) We were asking their cooperation, speaking of the wholesalers, in screening for volume their capsule orders from retailers to satisfy themselves that there was a legitimate need for the products being ordered; and (*e*) we told them also we were screening their orders to us and that we would request further information prior to making shipments when quantities in their orders appeared unusual.

Also, our Elanco Products Co., which as has been explained, sells to pharmaceutical manufacturers and industrial users, also notified pharmaceutical manufacturer-customers of reports that capsules were being used for illicit purposes and solicited their cooperation.

These actions taken by Eli Lilly & Co. should have a significant effect on keeping our empty capsules in legitimate channels.

We have been asked to comment on empty capsule manufacturing. We should like to illustrate for you the volume of No. 5 empty capsule production in contract with the production of other capsules. As you will see from the chart—and we have sort of a jumbo chart that I hope will be easily seen. You will note that the production of empty capsules, No. 5, shows an overall decline in production during the past 5 years at a time when other capsule production is going up.

Mr. PEPPER. Is that just your company or all of them?

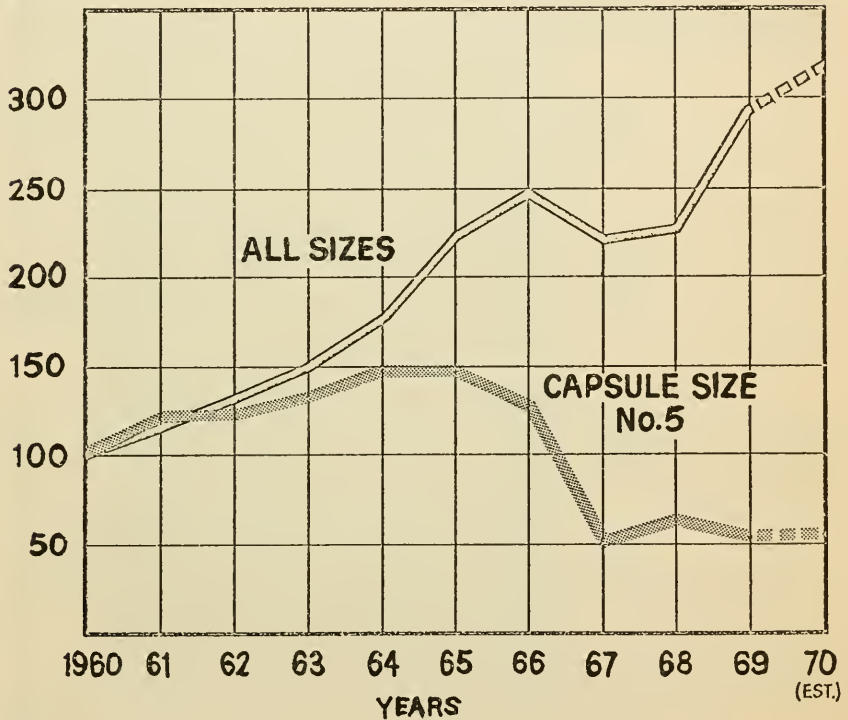
Mr. DE BOEST. This is just our company, sir.

(The chart referred to above follows:)

ELI LILLY AND COMPANY

# Trend of U.S. Empty Capsule Production 1960-1970

INDEX  
(1960=100)

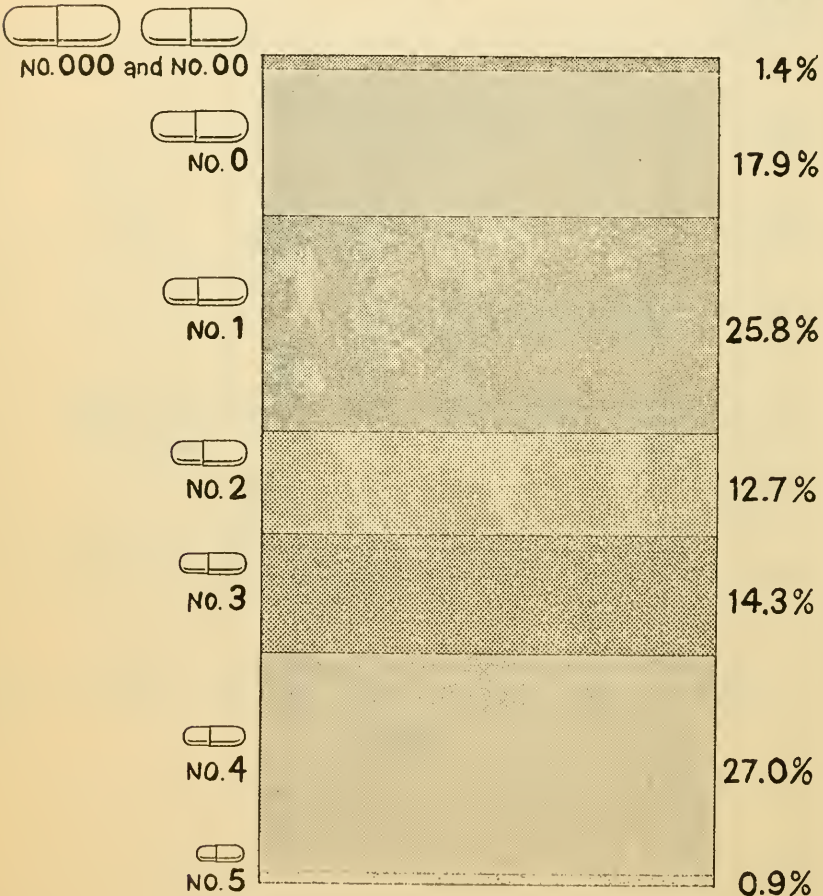


Mr. DE BOEST. Another way of expressing the volume of No. 5 empty capsule production is illustrated by the next chart supporting our statement that our production of No. 5 capsules represented less than 1 percent of our total output last year.

(The chart referred to above follows:)

ELI LILLY AND COMPANY

## U.S. Capsule Production 1969 Percent of Total by Capsule Size



Mr. DE BOEST. It must be borne in mind that a rather appreciable portion of No. 5 capsules are sold to other manufacturers and are exported outside the United States. Hence, this little red line is far greater than that amount going into the wholesale trade in this country.

Mr. PEPPER. Will you give us again the number of those No. 5 capsules that Eli Lilly Co. sold last year?

Mr. DE BOEST. In 1969, we sold in the wholesale trade approximately 30 million.

Mr. WIGGINS. Excuse me, sir, would you repeat that?

Mr. DE BOEST. Yes; in the wholesale trade, which is the area of the business we are talking about, where the possibility of illicit use is being pointed out, we sold of No. 5 empty capsules clear, No. 5 empty capsules pink, combined, roughly 30 million.

Mr. PERITO. Mr. De Boest, I assume, from your prior statement, your figure of 30 million excludes the amount of capsules produced and distributed by Elanco, is that correct?

Mr. DE BOEST. That is right. Their sales are to manufacturers and for industrial uses other than pharmaceutical uses.

Mr. PERITO. And that is being excluded based upon the testimony you have heard and the request made by our staff investigators?

Mr. DE BOEST. Yes, sir. The request was for our wholesaler distribution.

Mr. PERITO. Now, what would Elanco's production amount to; do you know off the top of your head what Elanco's total production of No. 5 gelatin capsules would be?

Mr. DE BOEST. Roughly equivalent to our wholesaler distribution.

Mr. PERITO. Another 30 million-plus.

Mr. DE BOEST. Yes, sir.

Mr. PEPPER. Excuse me just a minute. I am informed we have a fine group of young people over here who are attending our hearing this morning, a senior high school group from Ridley High School, Folsom, Pa. They are from the district of one of our able colleagues, Representative Lawrence G. Williams.

Please continue, Mr. De Boest.

Mr. DE BOEST. Additional evidence of the company's actions in the field of drug abuse prevention is a program started on June 25 of this year by our Elanco Products Co. division.

It involves identifying certain empty capsules sold to other manufacturers. The Bureau of Narcotics and Dangerous Drugs received advance notification of its development.

The program is applicable to empty capsules of a color comparable to drug abuse control items that have a high probability of abuse when diverted to illegal channels. I will explain that in a moment. These colors of capsules are well recognized by enforcement and public health officials.

Under the program, either the Elanco Co. or the manufacturer-customer places on the capsule the customer's identifying mark or symbol. We sell a number of color combinations by our Elanco Co. which are similar to well-recognized drug-abuse items, and it is the feeling of our company that the source of such capsules should be identified. In many instances the originator of the substance has identified his product from the time he put it on the market. However, people coming into the market later after the expiration of patents or



for some other reason, bring on the market a substance resembling very closely that of the original produced but unidentified, and it produces a problem for law enforcement officers, for poison control centers and for others.

So, the Elanco Co. on the 25th of June instituted this procedure that they would not sell such capsules to manufacturers unless they signed an agreement that either we would be permitted to put their identifying mark on the capsule before it left our plant or they would submit samples to us of their identifying procedure after they received the capsules.

Now, we think this is an advance in assisting particularly law enforcement officers in being able to trace drug-abuse items when they are diverted from normal trade channels.

In conclusion, I want to reemphasize Eli Lilly & Co.'s strong belief that every effective measure must be taken to combat heroin traffic in this country.

On behalf of Eli Lilly & Co., may I express our appreciation for this opportunity to present our views. My associate and I shall be glad to answer questions from the committee.

Mr. PERITO. Mr. De Boest, could you explain your company's general distribution policy? I am still not clear on that, insofar as the steps between Lilly as a manufacturer and the wholesaler and the retailer. If my understanding is correct, your company does not have any direct contact with the 56,000 retail druggists that ultimately purchase your company's products; is that correct?

Mr. DE BOEST. You are quite correct, sir.

Mr. PERITO. So, once the product leaves your company and is delivered to a wholesaler, in effect, you lose control, is that right?

Mr. DE BOEST. In terms of ownership, direction of individuals as to proper areas of sale, yes.

Mr. PERITO. Now, I assume that you have a warehousing and distribution service type agreement with your wholesalers.

Mr. DE BOEST. We do have, sir.

Mr. PERITO. You do not, I assume, control the channels of distribution from your wholesalers down to your retailers. Is that correct?

Mr. DE BOEST. The Department of Justice will not permit that, sir.

Mr. PERITO. Yes. I am cognizant of the antitrust implications of that answer. So then it is possible for your wholesalers to sell to whom-ever they wish to sell to; is that correct?

Mr. DE BOEST. That is right.

Mr. PERITO. That is, insofar as their sales of No. 5 gelatin capsules are concerned. I am confining my questioning to that area.

Mr. DE BOEST. That is right.

Mr. PERITO. Now, how then can this committee be assured, for example, under your new policy, that an unscrupulous or a theoretically unscrupulous, wholesaler will not continue to supply an unscrupulous retailer?

Mr. DE BOEST. Well, we could go into a philosophical discussion. Since time began this has happened, of course, with certain people. We in our screening procedure in Indianapolis believe that unwarranted large amounts will be looked at, inquired into, and that there will be considerable deterring effect by this checking procedure.

If I might digress for just a moment, we have been extremely proud over the years of the fact that the people who do distribute our prod-

ucts are responsible, concerned, moral citizens, and I think in the main, as we view what has transpired with the handling of No. 5 empty capsules, particularly in the Washington area, the actions of our wholesalers have been very responsible in their cooperative actions with law-enforcement agencies. As Mr. Minor related yesterday, he was suspicious of the need of these capsules which he was selling and got in touch with the Bureau of Narcotics and Dangerous Drugs.

Mr. PEPPER. May I interrupt here for just a moment? You produced or sold in 1969, 30 million of these No. 5 gelatin capsules?

Mr. DE BOEST. Yes, sir.

Mr. PEPPER. That is the clear and the pink. Now, how are your sales running, say, for the first half of this year or thus far this year?

Mr. PERITO. This would be the first 7 months. I think we have the statistics, Mr. Chairman.

Mr. DE BOEST. Yes. The first 7 months, for this year, I believe had they continued at the same rate of sale, would have shown some increase over 1969. However, the actions we have taken have already shown considerable decline and our September experience which we recapped very rapidly before coming here, indicated that the sale in September was roughly half of the average month in the year up to this point, and we anticipate that it will be even less.

Mr. PEPPER. Well, now, how would you state your new policy in respect to the sale of these No. 5 capsules after you learned that they are being used as a part of the illicit traffic in heroin?

Mr. DE BOEST. No. 1, we have called to the attention of our distributors the fact that these things do have an illicit potential. I am confident that of our 400 wholesalers, a great number of them had no idea that this was truly a possibility.

Mr. PERITO. Do you know this for a fact through some communications with these wholesalers, or is this your assumption? In other words, do you know from talking to your wholesalers or through a survey conducted by your company, subsequent to our committee inquiry, that these wholesalers in substantial numbers had no idea of the illicit potential of the No. 5 gelatin capsules?

Mr. DE BOEST. I cannot give you the specifics, sir. Our field people have been in touch with almost every one of our distributors since the time that we issued this letter. A goodly number of them indicated complete lack of knowledge concerning this possible use. I think in certain areas of the country there was knowledge and that knowledge resulted in the contact such as you have seen carried on.

Mr. PEPPER. Mr. De Boest, if I may pursue the idea of the statement of your new policy, you heard me say yesterday we were very much pleased to have one of the witnesses say that they were unable to get glassine envelopes, the 1½-inch-square glassine envelopes. And this committee felt some particular sort of satisfaction at that statement because of the fact we had a 5-day hearing on heroin trafficking in New York City last summer and we found out that the package being used most commonly in New York City to package heroin is the 1½ x 1½ inch glassine envelopes. Some of the local pharmacists were selling millions of these envelopes and we found out that the largest producer of these glassine envelopes was the U.S. Envelope Co. in Springfield, Mass.

They came in and testified voluntarily as you have come in here today, and they were, I think, wise and to be commended in announcing that since they have discovered that these little glassine envelopes, which to them was an unimportant part of their production, just as you said these No. 5 capsules are an unimportant item in your production since you only get about \$75,000 a year from their production even at a large-scale output—and there will be another of the large drug companies who will testify here today—whether or not you might feel that you could follow the example of the United States Envelope Co. and some other makers of glassine envelopes and cut down to what you feel is a legitimate need, the production of these little No. 5 capsules and throw that much impediment at least, in the way of the illicit traffic in heroin?

Mr. DE BOEST. Mr. Chairman, I think that is what we are in the process of doing at the moment. We are screening, scanning, we are establishing guidelines. We have reduced the amount that we will send on any order to a wholesaler to 12 small packages and four of our large packages. Now, I think that—

Mr. PEPPER. That would be a total of how many?

Mr. DE BOEST. In the case of the large packages, our largest size is 25,000. So that could be 100,000 to one wholesaler.

I think this guideline is going to have a change from this and perhaps be even lessened. You indicate that the envelope company said that they knew of no particular use for these things and so, of course, they largely, I guess, completely discontinued their production.

Mr. PEPPER. They notified us at the hearing, and they wrote us a letter subsequently stating that they had discontinued production of glassine envelopes, as a regular stock item.

Mr. DE BOEST. Well, in contrast, sir, there is some legitimate use of these No. 5 empty capsules. Now, whether anyone using them legitimately would be greatly embarrassed if they were not able to get a No. 5, I would rather doubt. They could probably go to a No. 4 and this is one of the problems of this whole traffic, is that a bit more sodium bicarbonate, milk sugar, or what have you, and you can go to another size.

Mr. PEPPER. You might consider a No. 4, capsule, also. Whatever constitutes a potential package for heroin that a pusher sells to the addict, would be a matter of public concern to our committee.

Mr. DE BOEST. I think we have to say that for those who have a legitimate need, somehow that need should be supplied, at the same time making certain that the traffic that we are discussing here is shut off as completely as it can be shut off.

Mr. PEPPER. And you feel that your new policy will enable you to reduce your sales of gelatin capsules from 30 million in 1969 down to what number in 1970 or 1971?

Mr. DE BOEST. Well, sir, if we can take sales figures which go back as far as 1960, 1961, and 1962, there is apparently a normal use within the field of pharmacy of these capsules of somewhere around 6 million a year and this should be the level at which we find ourselves shortly.

Now, may I say, sir, that if discontinuing the No. 5 capsules would have a significant influence on this traffic, we would be willing to discontinue them.



Mr. PEPPER. Well, we are pleased to hear you say that and I think our committee would want me to express the hope that you might find in the testimony of these hearings on this subject, sufficient evidence to indicate that these capsules are being abused and that any similar capsule that might be susceptible to abuse should be sharply curtailed in production by you and by other drug companies in this country. I hope this will be done.

Here you are saying you spent four times as much on education trying to discourage young people, particularly in the use of heroin, and yet in a way you are continuing to undermine the very objective you are trying to achieve in your educational program. You are helping the pusher to sell heroin to the people you are trying to get not to take heroin.

Mr. DE BOEST. Please be assured, sir, that is as far from our intention as we could go.

Mr. PEPPER. Thank you. You may proceed. Mr. Waldie do you wish to ask some questions?

Mr. WALDIE. Thank you, Mr. Chairman. Would you refer to page 5 of your statement. On the first step that you took after you were contacted by the committee investigator, what regions did you find in which the sales were high?

Mr. DE BOEST. Mr. Congressman, we have supplied this information to the Bureau of Narcotics and Dangerous Drugs for their analysis. We will supply it to the committee if it is the desire of the committee. I think these regional sales carry certain implications that perhaps law enforcement would like first to analyze.

Mr. WALDIE. Well, I do not quite understand that answer. I think this committee would like to analyze it if it carries any implications. What sort of implications are you suggesting are carried in those figures that are so sensitive that this committee might not—

Mr. DE BOEST. I am not suggesting that they are sensitive except that they do point out areas that might bear further investigation by law enforcement if they have not already been examined by law enforcement, and it is strictly the judgment of this committee whether or not we would like to speculate on the implications in these various areas. We do have the information. We will be glad to supply it.

Mr. WALDIE. Well, do I gather from your answer that my specific question as to which geographic regions did you find sales were high is not available for you to answer at this particular time?

Mr. DE BOEST. Yes; it is available.

Mr. WALDIE. Which geographic regions did you find in which sales were high?

Mr. DE BOEST. No. 1, the area in which we are located right now. The Washington area had a high level of sales. The Detroit area has a high level of sales. The Chicago-Milwaukee area has a high level of sales. Texas in its eastern area. And St. Louis has a high level of sales.

Mr. WALDIE. Are there other areas?

Mr. DE BOEST. Not that are immediately apparent. And the level of increase and the amount of sale, of course, is not comparable in each region but there has been increasing sale which indicates that perhaps some attention should be paid to these areas if it is not already being paid.



Mr. WALDIE. Now, your second step that you took:

On receiving an analysis of this information, we initiated an order-checking procedure.

Now, are you referring to the receipt and analysis of the information on your sales records?

Mr. DE BOEST. Mr. Waldie, on a sales item of this sort we ordinarily do not do a complete tabulating printout of an item such as we are discussing here, and it is ordinarily classified under the sales of all others.

We broke out for every wholesaler in the United States what he had bought in 1969 and up to this time in 1970 and after looking at these figures as stated here, we determined that there was an unaccountable increase in these sales. And with what had concurrently been going on in the way of rumors concerning its use, the use of capsules, the investigation that we had made up to this time, we decided that we should screen these orders and see that they were cut down unless there was a legitimate need that could be explained.

Mr. WALDIE. Now, in each of the five areas in which you found sales were high, did you find that was the case in more than one of your wholesalers or in each instance was it one wholesaler in each of the regional areas?

Mr. DE BOEST. I think in almost every instance it would be several wholesalers in the area.

Mr. WALDIE. There would be more than one in each instance.

Mr. DE BOEST. Yes.

Mr. WALDIE. Now, since you have instituted these different steps, have you in fact, in screening of orders, found the necessity of requesting further information prior to making shipment because quantities in that order appeared unusual?

Mr. DE BOEST. Yes, we have.

Mr. WALDIE. In the areas that you spotlighted or in additional areas?

Mr. DE BOEST. In one of the areas spotlighted we received an order which seemed excessive. We referred it to our regional director of sales, who called the wholesaler involved and he said forget it.

Mr. WALDIE. What does that mean?

Mr. DE BOEST. Well, just do not ship.

Mr. WALDIE. I see. Then, it was banned. You mean that it was an order that was going to be diverted into the illicit market?

Mr. DE BOEST. I have no idea, sir. Our inquiry caused the order to be canceled.

Mr. WALDIE. You mean the retailer canceled the order?

Mr. DE BOEST. No. We do not deal with the retailer. This was the wholesaler.

Mr. WALDIE. Your wholesaler canceled the order.

Mr. DE BOEST. Canceled the order to us.

Mr. WALDIE. Has that particular wholesaler been with you for some time?

Mr. DE BOEST. Yes.

Mr. WALDIE. What is your response to a wholesaler canceling an order after an inquiry like that with whom you have been dealing for a number of years?

Mr. DE BOEST. I do not understand what you—

Mr. WALDIE. Would he still stay on your list of responsible wholesalers?

Mr. DE BOEST. Well, we do not know the degree of responsibility at this point. Doubtless we will know later.

Mr. WALDIE. Well, does that wave a flag in front of you as to whether this man is a responsible wholesaler who cancels an order merely upon the inquiry by you as to the quantity?

Mr. DE BOEST. It raises a question, yes, sir.

Mr. WALDIE. What steps do you take when those questions are raised in your wholesalers? Are you taking further steps to determine whether this wholesaler is the type of man that Eli Lilly wants to do business with?

Mr. DE BOEST. We are taking steps, sir, at the present time to see that the practices that may have transpired will no longer occur. This is why all this checking procedure was put in.

Mr. WALDIE. Well, I would just suggest to you that is a rather abrupt comment for a responsible wholesaler when you inquire as to why he has asked for a quantity of this nature and he says forget it. I think you are entitled to know more than that and I would trust you would find out what it is.

Now directing your attention to Elanco Products Co.; do you have any control over their procedures whatsoever?

Mr. DE BOEST. Well, the parent company naturally does, yes.

Mr. WALDIE. Has Elanco instituted the same checks that you have instituted?

Mr. DE BOEST. Yes, I just quoted that, sir. On the 29th of September we sent a letter out, the Elanco Co. sent a letter out and they have instituted a checking procedure where they will call on the inquiring person to find the need before any—unless it is known to them—before they will fill any order.

Mr. WALDIE. Have they reviewed their sales records during the period in question, also?

Mr. DE BOEST. Yes, we have.

Mr. WALDIE. Do you know the results of their review?

Mr. DE BOEST. Yes.

Mr. WALDIE. Did they find the same spotlighted areas that you found?

Mr. DE BOEST. No. They do not sell to wholesalers who in turn sell to retailers. They sell to manufacturers who make products which go into the marketplace. And they are assured that their capsules are going to people who are actually manufacturing certain products.

Mr. WALDIE. Well, then, I gather what you are saying is they reviewed their sales records and did not find any unique increase in sales in any of the particular regions.

Mr. DE BOEST. Well, Mr. Waldie, in the case of their manufacture, the increase would not be relevant to the problem that we are discussing anyway if the capsules were used in the manufacture of bona fide products.

Mr. WALDIE. Well, of course, that is true, but any increase in the sales of the company might indicate—

Mr. DE BOEST. Might be suspect.

Mr. WALDIE. Might not be used—

Mr. DE BOEST. And they have been examined.

Mr. WALDIE. And the question I ask of you, Did the examination of their sales records produce the same information that the examination of your sales records did?

Mr. DE BOEST. No, sir.

Mr. WALDIE. There was no appreciable increase?

Mr. DE BOEST. No appreciable increase.

Mr. WALDIE. Did that fact seem to require any explanation.

Mr. DE BOEST. No.

Mr. WALDIE. To your knowledge, has there ever been any question of a diversion of Elanco's production of these capsules into the illicit market?

Mr. DE BOEST. I would like to refer that to counsel, sir, having to do with one account.

Mr. HOLT. Mr. Waldie, we have one situation we discussed with the committee staff. I think, Mr. Perito, your chief counsel is familiar with it. There is a question in one instance.

Mr. WALDIE. Is that the only instance of which you are aware?

Mr. HOLT. Insofar as I know, yes, it is.

Mr. WALDIE. In that instance would a review of the sales records reflect an increase in the purchases of this capsule from Elanco?

Mr. HOLT. Could I confer with you a moment, sir?

Mr. WALDIE. Yes.

(Conference at dais with Messrs. De Boest, Holt, Perito, and members of the committee.)

Mr. WALDIE. Counsel has informed me that the particular matter to which I have just made inquiry is under investigation and in view of that representation I will not then go further into that area. I have no further questions, Mr. Chairman.

Mr. PEPPER. Mr. De Boest, you stated a while ago that your company, as a matter of policy when it became satisfied that these capsules were being used to further the illicit heroin trade, would reduce your sales volume of those capsules.

Now, I mentioned that because I hoped you would find such evidence here at this hearing. You were here yesterday and you heard the testimony of Mr. Cohen from Harrisburg, Pa. The testimony was that he had actually bought from H. Brenner & Sons, drug wholesalers, over 1,200,000 of these No. 5 capsules, and had ordered another 600,000, so his total order came up to a 1,800,000.

Mr. DE BOEST. Yes, sir.

Mr. PEPPER. Now, I note from the data you have furnished the committee staff that in 1969 your company furnished Brenner & Sons 486,000 capsules and from January to July of this year your company furnished H. Brenner 1,623,000 capsules, making a total sale to that wholesaler in Harrisburg of approximately 2 million.

Now, we have the statement of the man himself who bought from Brenner & Co. that he actually received a million two hundred-odd thousand and he ordered 1,800,000. So, almost all of your sales during this period of time to this wholesaler, H. Brenner & Sons, went to Mr. Cohen, who, in turn, sold these capsules across the State line into Maryland, where the sale of these capsules is prohibited. So, almost his whole sale came directly from your wholesaler whom you supplied. Do you see?

Mr. DE BOEST. Mr. Chairman, I would like to explain that those sales were in a sense synthetic from the beginning. H. Brenner & Sons

alerted Mr. Livingston upon receipt of the first large order and those orders were continued in order to effect the result which was reported by Mr. Mazzone and Mr. Livingston yesterday.

These sales were made by a very responsible wholesaler on the advice of and with full knowledge of law enforcement agencies in order to achieve a certain effect, which effect was achieved.

Mr. PEPPER. You say H. Brenner & Sons were a very responsible wholesaler when they sold over this period of time, delivered to this man, Cohen, a million 200,000-odd of these things? Could they not have determined—they were delivered to his home. No, I guess he picked them up at the wholesaler. But do you think they were acting responsibly when they sold that huge quantity of these particular type capsules to this little pharmacy?

Mr. DE BOEST. Mr. Chairman, the law enforcement agencies asked that these sales be continued and that the delivery of these capsules be at such time that surveillance could be effected and H. Brenner & Sons cooperated completely, in fact, initiated the investigation.

Mr. PEPPER. Do you know at what volume that attitude on the part of H. Brenner & Sons began? I know the last 600,000 capsules ordered were not permitted to be delivered.

Mr. DE BOEST. Well, Mr. Livingston—

Mr. PEPPER. Was the whole—I hope it was.

Mr. DE BOEST. It was, sir.

Mr. PEPPER. I am not trying to criticize H. Brenner & Sons unjustly. Did they suspect Mr. Cohen during the time they delivered this whole 1,200,000-odd capsules to him?

Mr. DE BOEST. May I refer to counsel, sir?

Mr. HOLT. Mr. Chairman, could I respond to that?

Mr. PEPPER. Yes.

Mr. HOLT. It is our understanding that a large order came into H. Brenner & Sons.

Mr. PEPPER. How much?

Mr. HOLT. I am sorry, sir, I do not have the figure. I think Mr. Livingston had it in his testimony yesterday. Some time in 1969 there was one unusual order that may not have been the trigger order, but, as I understand these circumstances, the pharmaceutical buyer at H. Brenner was a personal friend of Mr. Livingston. He conferred with Mr. Livingston and asked about the volume of sales to this particular account, Mr. Cohen's pharmacy.

Arrangements were then made by the buyer, Mr. David Gugoff, G-u-g-o-f-f, I believe, with Mr. Livingston, for the continued delivery of these items to Mr. Cohen.

Arrangements were made so that deliveries could be made at a time when, due to the shortage of personnel, as Mr. Livingston has indicated—I have this by hearsay only but this is our understanding—at a time when Mr. Quinlan and Mr. Livingston could extend surveillance to Mr. Cohen's house. A number of these orders were made and as Mr. Livingston testified, surveillance was not always possible and the job did not always get done.

In time it was possible to survey Mr. Cohen's house and see people with Maryland license plates pick up this material. They were working in concert appropriately with Maryland authorities. The people in the traffic brought this material back across the Maryland line and



as I understand it, arrests were made under the Maryland Paraphernalia Act, Pennsylvania having no such act.

At the end of this time I think there were some 300,000-plus capsules, and again I do not have the exact figure, that Brenner had in inventory which he promptly returned to Lilly and I think that return has been effected. But it is my understanding, sir, in conferences with these folks, that the pharmaceutical buyer at Brenner first approached Mr. Livingston, explained the circumstances, and then working in concert with Mr. Livingston, who, I have been advised he went to college with, they made this arrangement.

Mr. PEPPER. Well, I am glad to hear that and I commend H. Brenner & Son, if they were that careful and if they were exercising that degree of duty, contrary to a Virginia wholesaler yesterday here who said he was in the business and he had to meet competition, and that he had to make a living, and as long as it was lawful he evidently was going to continue these sales.

But it shows, however, how necessary it is for the wholesaler and the manufacturer, like you, to keep great, strict surveillance on these things that you produce that can be abused. And this is a good example of how the two of you working together can voluntarily reduce the contribution you are making to the illicit heroin trade.

Mr. HOLT. Mr. Chairman, I am sorry—which Virginia wholesaler were you speaking of, sir?

Mr. PEPPER. There was one witness who testified yesterday from Virginia. He said that since there was no law on the subject that he was not compelled to stop selling capsules.

Mr. HOLT. Yes, sir.

Mr. PEPPER. H. Brenner & Sons at least acted responsibly and did not think that whatever was legal should be done by them if they could make a profit on it.

Mr. HOLT. We do not have a warehousing and distribution service agreement with the organization about whom you are speaking, the Richeo organization. The reason I asked the question is that, Ownes, Minor & Bodeker does have a warehousing and distribution agreement with Eli Lilly & Co.

Mr. PEPPER. Thank you very much. Mr. Perito, do you have any further questions?

Mr. PERITO. Thank you, Mr. Chairman. I wonder, Mr. De Boest, just to take an example of statistics you produced, in the Washington, D.C., area for 1969; your statistics revealed that there were 1,477,100 No. 5 capsules, and 501,300 No. 5 capsules which were of the pink variety, making a total of 1,978,400 supplied by your firm to Washington, D.C., wholesalers. I think Mr. Holt will confirm the figures that we have.

Now, I wonder if you can explain to us, based upon the testimony you heard yesterday, what legitimate need could possibly be furthered by the distribution of this staggering number of No. 5 gelatin capsules in the District of Columbia during the year 1969.

Mr. DE BOEST. Here again, I think contacts that the committee staff have made with Washington wholesalers and also the contacts that Eli Lilly & Co. staff have made revealed that there has been a high degree of awareness in the Washington area of the potential uses of these capsules and that law enforcement agencies, both local

in the District and the Bureau of Narcotics and Dangerous Drugs, have been given information concerning these sales, and so far as I know, these wholesalers have been asked to continue these sales, very much in the same direction as that of H. Brenner & Sons.

Mr. PERITO. Are you saying, sir, that the only reason, then that your firm is continuing to produce No. 5 gelatin capsules is so that your company can cooperate with law enforcement authorities in their endeavor to ferret out narcotics practices?

Mr. DE BOEST. Mr. Perito, no, this is not the only reason we are producing them. We are producing them primarily for the legitimate use that exists for them.

Mr. PERITO. What is that use, sir?

Mr. DE BOEST. For the use in retail pharmacies, hospital pharmacies, where these things have—despite testimony that you received yesterday—do have legitimate need.

Now, some 2 million that came into the Washington area were delivered to two principal outlets, one of whom you heard from yesterday. The other one I understand we cannot talk about since there is a case pending concerning him.

In both instances these accounts were supplied with full knowledge of law enforcement agencies and I would assume that this continuance of sale was to some logical conclusion upon the part of law enforcement people.

Mr. PEPPER. Excuse me just a minute. The figures you have furnished us for the Washington area: To your wholesalers in 1969 you delivered 1,978,400 and, in 1970, from January to July, you delivered to your wholesalers in Washington 986,000.

Now, that is nearly 3 million. It is about 2,800,000, something like that.

Mr. DE BOEST. That is right, sir.

Mr. PEPPER. Yet, we had high, responsible representatives of two big drugstore chains here yesterday, People's and Drug Fair, and those gentlemen testified there was hardly any need for these No. 5 capsules, and they operate in the District.

Why would they be so uninformed about the matter if there was a need, over the period of 1969 to January-July 1970, for 3 million that you had sold in the area? Why would they not have been aware of that great need?

Mr. DE BOEST. Mr. Chairman, I am not inferring in any sense that there was a legitimate need for the 3 million capsules involved. The 3 million capsules were delivered and sold by our wholesalers to only two outlets, one of whom you heard from yesterday, with full and complete knowledge of law enforcement agencies. And in the case of the Henry B. Gilpin Co. and the District Wholesale Drug Co. here in Washington, both have kept contact and kept records having to do with these accounts, pointing toward eventually the discontinuance of the traffic by identifying individuals.

Mr. PEPPER. Well, now, what do you anticipate your sales of these No. 5 gelatin capsules will be in the District of Columbia the rest of this year and next year?

Mr. DE BOEST. I would anticipate, sir, that they probably will be very little, provided it is the feeling of law enforcement that these sales should be discontinued, and I guess these procedures have both now been brought to a conclusion. These were the two places where

the bulk of these things were going. Nationally we found that there appears to be a normal use, if you were to take an average of pharmacies across the country, of maybe 200 to 250 capsules a year of this size. And as we have stated, we are not interested in the illicit trade. If there is anything to be contributed meaningfully by their discontinuance, we would discontinue them.

If there is any fault involved with most of our wholesalers, and with ourselves, that fault lies with a lack of awareness of the methods of people who do not like to use the rules of society. There is no intent on the part of the great majority of the people involved in the distribution of drugs in this country to engage in any illicit traffic.

Mr. PEPPER. Thank you.

Mr. Waldie, anything further?

Mr. WALDIE. No.

Mr. PEPPER. Mr. Nix?

Mr. NIX. Yes, Mr. Chairman.

Mr. De Boest, what you are really saying is that your company lives up to the highest ethical tradition of your profession.

Mr. DE BOEST. Yes, sir.

Mr. NIX. I assume you are determined to pursue that course.

Now, it seems me that there must be other products manufactured by your company and such companies as yours that could be used for the same purpose as No. 5 capsules. Would you say that?

Mr. DE BOEST. Well, we have, as distributed to you, a range of sizes there in addition to which, of course, there are all manner of materials having nothing to do with capsules which can be used as containers.

Mr. NIX. So, it seems to me unrealistic to assume that the curtailment of No. 5 capsules in itself will have any material effect on lessening the sale and distribution of drugs.

Mr. DE BOEST. Well, I have no way of knowing that, sir.

Mr. NIX. Well, one must assume that the illegal traffickers in drugs have sufficient ingenuity to devise other means of packaging.

Mr. DE BOEST. They have already demonstrated this, sir.

Mr. NIX. So, I think what your company has done, your cooperation, and your curtailment of the sale, is laudable.

I would ask this: How much has the company lost in dollars as a result of the curtailment?

Mr. DE BOEST. Well, last year, Mr. Nix, the sale was \$75,000. If we were to go back to what appears to be the normal demand for these things, which is some 25 percent of the amount sold last year, we do not look upon it as having lost money but the sale would be perhaps \$15,000 instead of \$75,000.

Mr. NIX. Thank you, Mr. Chairman.

Mr. PEPPER. Mr. Wiggins.

Mr. WIGGINS. Yes, Mr. Chairman, I have a couple of questions.

Sir, do you have any agreement with the manufacturers to whom you sell No. 5 gelatin capsules that these capsules will be used by the manufacturers in connection with their own products and not for resale as blank empty caps?

Mr. DE BOEST. We do not have at this time.

Mr. WIGGINS. Can you represent, then, factually to the committee that the hundreds of millions of No. 5 capsules that are sold to manufacturers are used, in fact, for that purpose?



Mr. DE BOEST. I think this can be done and practically we can assure you of it because we know the people to whom we sell, with certain minor exceptions involving the case that we just discussed with Mr. Waldie.

Mr. WIGGINS. Well, just let me recommend for your consideration that you do not rely wholly upon your confidence and faith in the manufacturer. Would you consult with your legal department as to whether or not you can bind them to the use of these caps for their intended purpose and not permit them to be resold in the wholesale or retail channels. That would be for your own protection and I just urge you to consider it in the future.

Mr. DE BOEST. Counsel would like to comment, if he may.

Mr. HOLT. If I might comment on that, there are substantial problems involving restrictions on the resale of commodities which the manufacturer owns. We will be glad to look into this. We will see what we can do. It does have some trade regulation implications.

Mr. WIGGINS. I am aware of that. I am not saying positively that it ought to be done, but I do think it is worth your looking into.

The truth is when we speak of the wholesale distribution of No. 5 capsules we are talking about just the icing on the cake, the tip of the iceberg. The great bulk of No. 5 caps go into manufacturing departments, is that not so?

Mr. DE BOEST. Well, this is why we showed the selector. There are No. 5 capsules used in manufacturing of other than pink and clear and what is at point here and seems to be causing the trouble in the heroin traffic is the use of either pink or clear empty capsules.

Now, this is not hundreds of millions. The Elanco Co. sold roughly the same amount last year of pink and clear No. 5 empty capsules to manufacturers that we sold to wholesalers as the parent company.

Mr. WIGGINS. Well, I do not want to belabor the point. I think I have made my point, that you ought to look into your relationship with your manufacturers.

Mr. DE BOEST. Yes; you have.

Mr. WIGGINS. You indicated in your prepared testimony that you have written letters to your wholesalers.

Mr. DE BOEST. Yes, sir.

Mr. WIGGINS. You advised them of the potential abuse of No. 5 capsules. One of your wholesalers was in here yesterday and said that he had not heard from you. How do you account for that?

Mr. DE BOEST. Through the stress of the hearing setting. I am absolutely positive that our letter was received by this wholesaler. I think it was a lapse of memory in the setting of this room where his consideration was directed to other things.

Mr. WIGGINS. All right.

Mr. NIX. Will the gentleman yield?

Mr. WIGGINS. Yes, of course.

Mr. NIX. Let us say the letter was received. What effect would it have except to put someone on notice? It certainly could not bind anyone, could it?

Mr. DE BOEST. Well, morally it would and this is the sort of consideration we are talking about.



Mr. NIX. I do not see how those moral considerations materially affect the sale and distribution. It is just one of the measures your company has taken——

Mr. DE BOEST. Yes, sir.

Mr. NIX (continuing). To make evident the fact that you deal ethically in your profession. That is true, is it not?

Mr. DE BOEST. That is true.

Mr. NIX. Thank you.

Mr. WIGGINS. I would like you to consider the desirability of sending a similar letter to retail outlets. The wholesalers respond to a demand from retailers and it is possible that in other parts of the country where the gelatin caps are at present not the container of choice that a demand will be created in the future for the improper use of these gelatin caps and that wholesalers may respond. Again, I am not telling you how to run your business but I think you have demonstrated some responsibility in trying to advise your wholesalers, and I would think that you might consider doing the same to your retail outlets, and if not, urging your wholesalers in whom you have so much confidence, to do the very same thing to the retail outlets in the country.

Mr. DE BOEST. I think it is worthy of consideration.

Mr. WIGGINS. We had some testimony yesterday from retailers and in one case from a wholesaler. In substance in effect it was as follows: That so long as what I am doing is lawful, I am not going to question the ultimate disposition of the product.

That is a philosophy with which I do not agree and I am convinced that your company does not agree with that philosophy.

Mr. DE BOEST. That is right.

Mr. WIGGINS. And yet, it is a manifestation of that same philosophy when a manufacturer says, I sell my products to a wholesaler and I have no control over what he does with it. I hope that you reconsider your responsibility—and I do not wish to suggest that you do not feel a sense of responsibility—in connection with your wholesalers practices. You do not have any moral or legal obligation to sell to a particular wholesaler in the first place. You should attempt to induce your wholesalers to be just as responsible as you are by putting an economic squeeze on them if necessary, if they fail to measure up to the kind of responsibility that your company has.

Mr. DE BOEST. Mr. Wiggins, may I reply?

Mr. WIGGINS. Yes, sir.

Mr. DE BOEST. That in any situation that appears to be unusual or out of line at any time, although we have no legal right to tell our distributors where or to whom they can sell, we do advise of a situation and go as far as we can other than telling them they can or cannot do this act.

We have been in business, as we have said, for 100 years. The basis of it has been that we believe we are operating in the public interest. We want to continue to do that. And regardless of whether or not it is legal is beside the point. If there is a misuse of a product or anything of that sort, we are deeply concerned about it and will continue to take steps to try to control it.

Mr. WIGGINS. I am totally convinced of your sincerity in that. I believe it. Indeed, if there has been any criticism of the Eli Lilly Co. that is just, in my judgment, it is that you have shown an absence of

aggressiveness in this field. You really have responded to in many ways the committee's pressure and you have done many of the steps that you have outlined here just in the last 6 weeks.

I think that it is possible—I know it is possible—for your company to be aggressive in trying to find out if your products are being diverted or misused and not have to respond to rumors from the field. You have men on your payroll who probably are consulting almost daily with law enforcement to see that this does not occur. You should be aggressively out looking for problems, to be the first to respond, and not as a result of a committee of Congress snooping around.

Do you think that is a fair comment?

Mr. DE BOEST. It is fair to a degree, sir. We were attempting to find out what was going on and I can assure you that within the area of law enforcement there was no uniform pattern.

The intensity and urgency of this problem was not apparent at the time we started investigation, and it is quite true that the inquiry from the committee staff did spur more intensive action because it directed to a particular spot attention to a condition, and we do not disavow that at all.

At the same time, we were investigating and I think, of course, there are degrees of aggression, and how aggressive is aggressive?

Mr. WIGGINS. I hope you will be particularly aggressive in the future. I want you to know, and I am sure you do know, that this committee's interest was not stimulated in the last few days nor will it die in a few days from now. We are going to have a continuing interest in the problem, and in that connection would you agree to furnish to the committee, let us say 6 months from now, assuming the committee is here to receive it, information concerning how successful you have been? Would you furnish sales figures, the kind of data that we sought out in the first place? I would like very much to know just what happens 6 months from now.

Mr. DE BOEST. Well, we will be interested, too, and we will be happy to see that you get it.

Mr. WIGGINS. Thank you very much.

Thank you, Mr. Chairman.

Mr. PEPPER. Mr. Steiger.

Mr. STEIGER. Thank you, Mr. Chairman.

Mr. De Boest, I must confess to my agreement with Mr. Nix's point that if you did away with No. 5's, you are not going to do away with narcotics. I think that is evident from the testimony we have had in the last 2 days.

I also recognize that your No. 4 capsule is a significant item in terms of gross production and in looking at the samples you have given us, it is clear to me that it could be used also.

It does occur to me as a result of looking over the exhibits you furnished us in which you have developed this long list of successful medications that you obviously have a research facility in connection with Eli Lilly. Is that right?

Mr. DE BOEST. Yes.

Mr. STEIGER. Well, I also, like Mr. Wiggins, have a suggestion. It may be so exotic as not to be worthy of consideration. I offer it to you only as a layman with no knowledge of pharmacy at all, but it occurs to me if Eli Lilly could develop in their gelatin capsule a substance that would somehow neutralize or do harm to the contents of the

heroin, that it seems to be desirable, if you could continue to produce No. 5's to your heart's content and it would solve that particular problem. That may be too expensive an approach. It may not be worthy even of your consideration.

Should you decide to do it, I would only point out that it would be a contribution that would be worthy of the reputation of your firm and a contribution that would point out very clearly that this indeed is where your concern lies. I just offer it in that spirit and again, without even knowing if it is feasible.

Mr. DE BOEST. We will take it back to our scientific people for their appraisal.

Mr. STEIGER. We had testimony here yesterday. I do not know whether you saw the videotape that the Metropolitan District Police had prepared for us. I was very impressed with it. I had never seen that particular operation.

It is clear that no matter what kind of a law we write, and we are going to write a law obviously, no matter what kind of a law we write with regard to paraphernalia, there are going to be any number of alternative devices used for packaging. Again, if you should be successful in finding a substance that would somehow affect the chemical properties of heroin, if it could be added harmlessly to the adulterating of the narcotics trade, the diluents which they now use and some of which you manufacture, that would also obviously be a tremendous help, because we have been told by all the enforcement people that anything we can do to disrupt the normal procedures in narcotics traffic inevitably leads to a reduction of consumption and that is, after all, what you are after and that is what we are after.

So, again, in the nature of a suggestion with regard to the research I would hope you would consider that.

I have no further comments, Mr. Chairman.

Mr. PEPPER. Mr. Holt, do you have anything to add to what has been said by Mr. De Boest?

Mr. HOLT. No, sir. Thank you.

Mr. REIDA. Mr. Chairman, I would like to ask a few questions.

Mr. PEPPER. Yes, please proceed Mr. Reida.

Mr. REIDA. Mr. Holt, you furnished the committee staff with the 1969 and 1970 total wholesale sales of your company nationwide and also in the District of Columbia area of No. 5 capsules and also of all gelatin capsules, is that correct?

Mr. HOLT. Not quite, Mr. Reida. We furnished to the committee Eli Lilly & Co.'s sales to approximately 400 wholesalers of No. 5 pink and clear and I believe total figures for all pink and clear empty capsules in the eight sizes sold to wholesalers. We were not requested to provide and our response has not involved the Elanco sales or export sales or anything like that. So, we have not provided you with anything beyond wholesaler sales.

Mr. REIDA. I thought that was how I limited my question. Anyway, based on the figures that you furnished us, we show a total nationwide sale by your company to wholesalers of approximately 33 million No. 5 capsules. Is that correct?

Mr. HOLT. You are looking at exhibit 4, sir?

Mr. REIDA. Mr. Chairman, I offer for the purposes of identification, Lilly table No. 1.

Mr. PEPPER. It will be so received. Do you want to put it in the record? You have it marked for identification.

Mr. REIDA. I would just like to have it marked.

(The table referred to above was marked "Exhibit No. 4" for reference and follows:)

## EXHIBIT No. 4

TABLE 1.—ELI LILLY CO. SALES

|   | No. 5 pink capsules | No. 5 clear capsules | Total, No. 5 capsules | Total, other capsules | Total, all capsules | Percent No. 5 capsules to total all capsules |
|---|---------------------|----------------------|-----------------------|-----------------------|---------------------|--|
| Total national wholesalers:               |                     |                      |                       |                       |                     |  |
| 1969.....                                 | 16,451,400          | 16,451,500           | 32,992,900            | 79,314,400            | 112,307,300         | <sup>1</sup> 29.4                            |
| 1970 January-July (7 months).....         | 14,613,800          | 11,764,200           | 26,378,000            | 48,156,900            | 74,534,900          | 35.4   |
| Total Washington, D.C., area wholesalers: |                     |                      |                       |                       |                     |  |
| 1969.....                                 | 501,300             | 1,477,100            | 1,978,400             | 1,238,600             | 3,217,000           | 61.5   |
| 1970 January-July (7 months).....         | 202,100             | 783,900              | 986,000               | 790,200               | 1,776,200           | 55.5   |
| AREA WHOLESALERS                          |                     |                      |                       |                       |                     |  |
| Henry B. Gilpin:                          |                     |                      |                       |                       |                     |  |
| 1969.....                                 | 501,000             | 657,900              | 1,158,900             | 484,500               | 1,643,400           | 70.5   |
| 1970 January-July.....                    | 200,000             | 516,500              | 716,500               | 232,700               | 1,040,200           | 68.9   |
| District Wholesale Drug Co.:              |                     |                      |                       |                       |                     |  |
| 1969.....                                 | 300                 | 819,200              | 819,500               | 754,100               | 1,573,600           | 52.1   |
| 1970 January-July (7 months)....          | 2,100               | 267,400              | 269,500               | 466,500               | 736,000             | 36.6   |

<sup>1</sup> Increase, 6 percent

Mr. HOLT. Mr. Reida, so there is no confusion, I might note that we submitted material earlier with different exhibit numbers. I sent Mr. Shulman the chart entitled "Exhibit 4." It has a total on it. It may be different from the totals you have. I am not sure what your recap is. Could the reporter repeat the question, please?

Mr. Reida, would you repeat the question? You asked for verification.

Mr. REIDA. The question is for 1969, if your total sale of No. 5 capsules to wholesalers was approximately 33 million.

Mr. HOLT. Yes, sir; I have that figure; 32,992,900. Yes, sir.

Mr. REIDA. And then, your total sales of the seven other sizes that you sell to wholesalers is 79,314,400, is that correct?

Mr. HOLT. For 1969?

Mr. REIDA. Yes.

Mr. HOLT. I have a higher figure than that, sir. I have all capsules for 1969, 112,307,300.

Mr. REIDA. What is that figure?

Mr. HOLT. I am simply not going through the arithmetic computation that you have on your sheet, sir. We provided you with sales of total capsules. The other capsules, I believe, if the arithmetic of this recap is correct, would have been 79 million as you stipulated in sales to wholesalers of other pink and clear gelatin capsules.

Mr. REIDA. Do you agree with the computation that the total sales of all caps to wholesalers in 1969 is 112,307,300?

Mr. HOLT. Yes, sir.

Mr. REIDA. So that you agree with the percentage computation which is the last entry in the exhibit that was just marked?



Mr. HOLT. 29.4 percent?

Mr. REIDA. Yes, sir.

Mr. HOLT. Yes, sir. It looks—apparently I am not that quick in mental gymnastics from this recap, but it is——

Mr. REIDA. Well, I just have difficulty reconciling that computation with the chart that appears before us and that is the reason why I am asking the question.

Mr. HOLT. We have the 29.4 percent. That is the figure we submitted, that is correct. I am sorry—in what respect does your difficulty lie with respect to reconciling that with the chart?

Mr. REIDA. Well, if we go through the computation that we just did, it shows that 29.4 percent of all Lilly gelatin capsule sales to wholesalers are made up of No. 5 caps, and the chart that we are looking at shows nine-tenths of 1 percent.

Mr. DE BOEST. This is total capsule production.

Mr. HOLT. We are comparing apples and oranges. This entire chart as we advised in the statement, the chart relates to total Lilly production, part of which goes to Elanco, and part which we use in our own products, and part which is sold in pink and clear to wholesalers.

Mr. REIDA. But the point I am attempting to make is that the committee inquiry was limited to your sales to wholesalers and approximately 30 percent, to be precise, 29.4 percent of all your gelatin capsule sales to wholesalers are No. 5 caps.

Mr. HOLT. 29.4 percent of all capsule sales to wholesalers are No. 5, yes.

Mr. REIDA. Thank you. And then, if you look at the next computation, for 1969 in all of your sales to the Lilly wholesalers in the Washington area, the three wholesalers, 61.5 percent of all the gelatin capsules were No. 5's, is that correct?

Mr. HOLT. That is correct.

Mr. REIDA. And in the first 7 months of 1970, 55.5 percent are No. 5's.

Mr. HOLT. Correct.

Mr. REIDA. So, that we can say that in your sales in the Washington area, to wholesalers, over half of your sales of gelatin capsules are No. 5's.

Mr. HOLT. That is correct. That is the thing that Mr. De Boest has brought out, that sales of No. 5 are extraordinarily high in certain regions of the country and Washington is one of these regions as Mr. Waldie has inquired about and received information on. There is no question about that.

Mr. REIDA. Thank you.

Mr. PEPPER. Mr. Perito? Do you have any further questions?

Mr. PERITO. Yes, Mr. Chairman. I would like to offer for the record statistical information furnished by Eli Lilly which would include tables Nos. 2 through 8: table 2 being sales to H. B. Gilpin Co., Washington, D.C.; table 3 being sales of empty capsules to District Wholesale Drug Co., Washington, D.C.; table 4 being sales to H. Brenner & Sons, Inc., Harrisburg, Pa.; table 5, sales of empty capsules to wholesalers, pink and clear, January 1969 through July 1970; table 6, sales of empty capsules to wholesalers, pink and clear, January 1969 through July 1970; table 7, sales pink and clear to Owens, Minor & Bodeker, Richmond, Va.; and table 8, sales to Strother Drug

Co., Richmond, Va., that is, sales of empty and clear capsules. Mr. Chairman, I will offer these tables as part of the record.

Mr. PEPPER. Without objection, they will be received for the record. Thank you, Mr. Perito.

(The tables referred to above were marked "Exhibit No. 5" for reference and follow:)

## EXHIBIT No. 5

## ELI LILLY &amp; COMPANY SALES OF EMPTY CAPSULES TO WHOLESALERS, PINK AND CLEAR

TABLE NO. 2.—HENRY B. GILPIN CO., WASHINGTON, D.C.

|                             | No. 5 pink | No. 5 clear | Total all capsules |
|-----------------------------|------------|-------------|--------------------|
| 1969:                       |            |             |                    |
| January.....                |            | 16,000      | 41,400             |
| February.....               |            |             | 27,000             |
| March.....                  |            | 16,000      | 40,500             |
| April.....                  |            | 17,300      | 74,900             |
| May.....                    | 200        | 19,200      | 53,700             |
| June.....                   |            | 36,000      | 68,800             |
| July.....                   | 500        | 3,000       | 30,600             |
| August.....                 | 200,300    | 48,000      | 300,600            |
| September.....              |            | 2,400       | 78,200             |
| October.....                | 300,000    |             | 374,900            |
| November.....               |            | 200,000     | 230,400            |
| December.....               |            | 300,000     | 322,400            |
| Total 1969.....             | 501,000    | 657,900     | 1,643,400          |
| Percent No. 5 capsules..... |            |             | 70.5               |
| 1970:                       |            |             |                    |
| January.....                |            | 300         | 52,100             |
| February.....               |            |             | 47,400             |
| March.....                  |            | 300,300     | 323,100            |
| April.....                  |            | 6,000       | 40,600             |
| May.....                    | 195,000    | 200,300     | 436,000            |
| June.....                   | 5,000      | 600         | 80,300             |
| July.....                   |            | 9,000       | 60,700             |
| Total 1970.....             | 200,000    | 516,500     | 1,040,200          |
| Percent No. 5 capsules..... |            |             | 68.9               |

TABLE NO. 3.—DISTRICT WHOLESALE DRUG CO., WASHINGTON, D.C.

|                             | No. 5 pink | No. 5 clear | Total all capsules |
|-----------------------------|------------|-------------|--------------------|
| 1969:                       |            |             |                    |
| January.....                |            | 271,600     | 415,400            |
| February.....               |            | 224,000     | 260,000            |
| March.....                  |            | 100,000     | 115,900            |
| April.....                  |            | 114,400     | 206,600            |
| May.....                    |            | 4,800       | 4,800              |
| June.....                   | 300        | 104,400     | 234,100            |
| July.....                   |            |             | 32,400             |
| August.....                 |            |             | 96,300             |
| September.....              |            |             | 60,000             |
| October.....                |            |             | 37,500             |
| November.....               |            |             | 39,200             |
| December.....               |            |             | 71,400             |
| Total 1969.....             | 300        | 819,200     | 1,573,600          |
| Percent No. 5 capsules..... |            |             | 52.1               |
| 1970:                       |            |             |                    |
| January.....                | 100        | 14,800      | 53,000             |
| February.....               |            | 20,000      | 98,700             |
| March.....                  |            | 88,600      | 149,300            |
| April.....                  | 2,000      | 39,000      | 107,400            |
| May.....                    |            | 105,000     | 189,000            |
| June.....                   |            |             | 69,600             |
| July.....                   |            |             | 69,000             |
| Total 1970.....             | 2,100      | 267,400     | 736,000            |
| Percent No. 5 capsules..... |            |             | 36.6               |

TABLE NO. 4.—H. BRENNER &amp; SONS, INC., HARRISBURG, PA.

|                             | No. 5 pink | No. 5 clear | Total all capsules |
|-----------------------------|------------|-------------|--------------------|
| 1969:                       |            |             |                    |
| January.....                | 2,000      | 10,000      | 20,600             |
| February.....               |            | 3,000       | 13,500             |
| March.....                  | 10,000     | 6,300       | 51,500             |
| April.....                  | 24,000     | 6,000       | 40,200             |
| May.....                    |            |             | 2,000              |
| June.....                   |            | 100         | 24,700             |
| July.....                   | 17,000     | 49,300      | 96,400             |
| August.....                 |            |             |                    |
| September.....              | 25,000     | 264,600     | 322,200            |
| October.....                |            | 300         | 14,900             |
| November.....               |            | 1,200       | 7,600              |
| December.....               |            |             |                    |
| Total 1969.....             | 78,000     | 340,800     | 593,600            |
| Percent No. 5 capsules..... |            |             | 70.6               |
| 1970:                       |            |             |                    |
| January.....                |            | 240,000     | 256,600            |
| February.....               | 82,000     | 95,200      | 198,200            |
| March.....                  | 58,000     | 168,600     | 237,700            |
| April.....                  | 6,000      |             | 29,600             |
| May.....                    | 78,000     | 168,000     | 268,100            |
| June.....                   | 96,200     | 180,000     | 285,200            |
| July.....                   | 55,000     | 396,000     | 451,000            |
| Total 1970.....             | 375,200    | 1,247,800   | 1,726,400          |
| Percent No. 5 capsules..... |            |             | 94.0               |

TABLE NO. 5.—JANUARY 1969 THROUGH JULY 1970

|  | No. 5 capsules |            | All capsules<br>(sizes beyond No. 5) |            | Percent No. 5 capsules to total |      | No. 5 against other total of total, percent |
|--|----------------|------------|--------------------------------------|------------|---------------------------------|------|---|
|  | 1969           | 1970       | 1969                                 | 1970       | 1969                            | 1970 |   |
| Washington, D.C. wholesalers: <sup>1</sup> |                |            |                                      |            |                                 |      |   |
| Pink.....                                  | 501,300        | 202,100    | 601,900                              | 295,700    | 83.3                            | 68.3 | 78.0  |
| Clear.....                                 | 1,477,100      | 783,900    | 2,615,100                            | 1,480,500  | 56.5                            | 52.9 | 55.0  |
| Total.....                                 | 1,978,400      | 986,000    | 3,217,000                            | 1,776,200  | 61.5                            | 55.5 | 59.0  |
| All wholesalers:                           |                |            |                                      |            |                                 |      |   |
| Pink.....                                  | 16,451,400     | 14,613,800 | 24,239,900                           | 20,295,300 | 67.9                            | 72.0 | 67.0  |
| Clear.....                                 | 16,541,500     | 11,764,200 | 88,067,400                           | 54,239,600 | 18.8                            | 21.7 | 19.8  |
| Total.....                                 | 32,992,900     | 26,378,000 | 112,307,300                          | 74,534,900 | 29.4                            | 35.4 | 25.6  |

<sup>1</sup> Includes: The Henry B. Gilpin Co., Washington, D.C.; District Wholesale Drug Co., Washington, D.C.

TABLE NO. 6.—JANUARY 1969 THROUGH JULY 1970

|  | No. 5 capsules |            | All capsules             |                         | Percent No. 5 capsules to total |      |
|--|----------------|------------|--------------------------|-------------------------|---------------------------------|------|
|  | 1969           | 1970       | 1969                     | 1970                    | 1969                            | 1970 |
| Washington, D.C. wholesalers: <sup>1</sup> |                |            |                          |                         |                                 |      |
| Pink.....                                  | 501,300        | 202,100    | 610,900                  | 295,700                 | 83.3                            | 68.3 |
| Clear.....                                 | 1,477,100      | 783,900    | 2,615,100                | 1,480,500               | 56.5                            | 52.9 |
| Total.....                                 | 1,978,400      | 986,000    | 3,217,000                | 1,776,200               | 61.5                            | 55.5 |
| All wholesalers:                           |                |            |                          |                         |                                 |      |
| Pink.....                                  | 16,451,400     | 14,613,800 | <sup>2</sup> 27,289,900  | <sup>2</sup> 20,495,300 | 60.3                            | 71.0 |
| Clear.....                                 | 16,541,500     | 11,764,200 | <sup>2</sup> 88,367,400  | <sup>2</sup> 54,539,600 | 18.7                            | 21.6 |
| Total.....                                 | 32,992,900     | 26,378,000 | <sup>2</sup> 115,657,300 | <sup>2</sup> 75,134,900 | 28.5                            | 35.1 |

<sup>1</sup> Includes: The Henry B. Gilpin Co., Washington, D.C.; District Wholesale Drug Co., Washington, D.C.

<sup>2</sup> Includes sales of pink and clear capsules in package sizes not carried in the Lilly price list.

TABLE NO. 7.—OWENS, MINOR &amp; BODEKER, INC., RICHMOND, VA.

|                             | No. 4<br>pink | No. 4<br>clear | No. 5<br>pink | No. 5<br>clear | Total, all<br>capsules |
|-----------------------------|---------------|----------------|---------------|----------------|------------------------|
| 1969:                       |               |                |               |                |                        |
| January.....                |               | 600            |               | 2,700          | 22,300                 |
| February.....               |               | 600            |               | 5,300          | 22,000                 |
| March.....                  |               |                |               | 4,800          | 11,400                 |
| April.....                  |               | 400            | 1,000         | 600            | 8,400                  |
| May.....                    |               | 400            |               | 6,000          | 17,900                 |
| June.....                   |               | 100            |               | 13,800         | 25,100                 |
| July.....                   |               | 400            |               | 17,400         | 36,900                 |
| August.....                 |               |                |               | 3,000          | 16,300                 |
| September.....              |               | 500            |               | 24,000         | 40,700                 |
| October.....                |               | 1,100          |               | 26,400         | 39,400                 |
| November.....               |               | 200            |               | 31,500         | 38,500                 |
| December.....               |               | 300            |               | 54,000         | 69,000                 |
| Total 1969.....             |               | 4,600          | 1,000         | 189,500        | 347,900                |
| Percent No. 4 capsules..... |               |                |               |                | 1.3                    |
| Percent No. 5 capsules..... |               |                |               |                | 54.8                   |
| 1970:                       |               |                |               |                |                        |
| January.....                |               | 600            |               | 40,200         | 50,800                 |
| February.....               |               | 1,200          |               |                | 24,800                 |
| March.....                  |               | 200            |               | 63,600         | 90,200                 |
| April.....                  |               | 1,200          |               | 133,200        | 140,600                |
| May.....                    |               | 3,400          |               | 94,800         | 111,100                |
| June.....                   |               | 6,400          |               | 109,200        | 125,000                |
| July.....                   |               | 4,800          |               | 395,700        | 412,600                |
| August.....                 |               | 1,200          |               |                | 13,900                 |
| Total 1970.....             |               | 19,000         |               | 836,700        | 969,000                |
| Percent No. 4 capsules..... |               |                |               |                | 2.0                    |
| Percent No. 5 capsules..... |               |                |               |                | 86.3                   |

TABLE NO. 8.—STROTHER DRUG CO. OF RICHMOND, INC., DIVISION OF STROTHER DRUG CO., RICHMOND, VA.

|                             | No. 4 pink | No. 4 clear | No. 5 pink | No. 5 clear | Total, all<br>capsules |
|-----------------------------|------------|-------------|------------|-------------|------------------------|
| 1969:                       |            |             |            |             |                        |
| January.....                |            |             |            | 2,300       | 8,600                  |
| February.....               |            | 1,000       |            | 600         | 17,400                 |
| March.....                  |            | 400         |            | 200         | 5,000                  |
| April.....                  |            | 1,000       |            | 600         | 7,100                  |
| May.....                    |            | 200         |            | 600         | 12,700                 |
| June.....                   |            |             |            | 900         | 11,800                 |
| July.....                   | 1,000      | 600         |            | 1,800       | 9,900                  |
| August.....                 |            |             |            | 1,200       | 6,400                  |
| September.....              | 1,000      |             |            | 2,400       | 10,200                 |
| October.....                |            |             |            |             | 1,300                  |
| November.....               | 1,000      | 200         |            |             | 9,300                  |
| December.....               |            |             |            | 1,200       | 4,000                  |
| Total, 1969.....            | 3,000      | 3,400       |            | 11,800      | 103,700                |
| Percent No. 4 capsules..... |            |             |            |             | 6.2                    |
| Percent No. 5 capsules..... |            |             |            |             | 11.4                   |
| 1970:                       |            |             |            |             |                        |
| January.....                |            | 1,200       |            |             | 7,400                  |
| February.....               |            | 200         |            | 600         | 6,000                  |
| March.....                  |            | 200         |            | 600         | 7,100                  |
| April.....                  | 1,000      | 600         |            | 2,400       | 8,200                  |
| May.....                    |            | 600         |            |             | 2,900                  |
| June.....                   |            | 1,000       |            | 2,400       | 5,700                  |
| July.....                   |            | 13,600      |            | 4,800       | 27,700                 |
| August.....                 |            | 1,600       |            | 17,200      | 25,400                 |
| Total 1970.....             | 1,000      | 19,000      |            | 28,000      | 98,400                 |
| Percent No. 4 capsules..... |            |             |            |             | 22.1                   |
| Percent No. 5 capsules..... |            |             |            |             | 31.0                   |

Mr. PEPPER. Gentlemen, I just want to say this for those that might not have it clearly in mind: Somebody might wonder why is the Select Committee on Crime concerned about No. 5 clear and pink gelatin



capsules. It is because the resolution setting up this committee charged this committee to investigate all aspects of crime and because, as we heard yesterday, testimony by Inspector Bishop of the Metropolitan Police Department, that half of the crime in the District of Columbia is attributable to the use of narcotics and dangerous drugs. So, we are looking into something that is responsible for half of the crime, and these capsules we are talking about in this hearing are essential to the pusher in selling heroin, which is one of the most dangerous of all the drugs. So, that is the relationship with our congressional mandate and the reason for our inquiry here today.

Thank you very much, Mr. De Boest and Mr. Holt.

Mr. DE BOEST. Mr. Chairman, we appreciate your courtesy and we subscribe completely to your concern.

(Additional correspondence subsequently received for the record from Eli Lilly & Co. follows:)

ELI LILLY & Co.,  
Indianapolis, Ind., September 15, 1970.

Attention chief executive officer.

Drug abuse.

LILLY WHOLESALE DISTRIBUTORS.

DEAR SIR: We have written to you previously concerning our mutual responsibilities to see that Lilly products are lawfully kept in the legitimate channels of trade. While these responsibilities are imposed by law, we believe there are additional measures that may be taken in furtherance of the objectives of the law and in the discharge of our obligations as members of the total health team.

Information has been received from time to time concerning the abuse of products subject to the Drug Abuse Control Amendments of 1965. Recently, we were informed that No. 5 pink and clear capsules are being used for the packaging of heroin. As distinctions in capsule size are minimal, other capsule sizes may be involved.

Accordingly, consistent with our prior efforts to limit the misuse of Lilly pharmaceuticals, we are taking the following action effective immediately.

*Wholesaler orders.*—We are screening all wholesaler orders for drug abuse control items, narcotics, empty gelatin capsules, and unusual quantities of any drug which might have potential for abuse. Whenever quantities in your orders appear unusual, we will request further information from you prior to making shipment. We urge you to screen in a similar manner orders from your customers, particularly for Dolophine Hydrochloride, Seconal, Tuinal, and empty gelatin capsules. In this regard, we suggest that you satisfy yourself as to the legitimate need for the products involved.

*Third-party shipments.*—We will no longer supply drug abuse control items and empty gelatin capsules on third-party orders, i.e., direct shipments. This is in keeping with our present procedure of not providing narcotics or exempt narcotics on third-party orders.

We deeply appreciate your continued efforts in keeping pharmaceuticals in legitimate channels of trade for proper medical use. We realize that public health protection in this regard is dependent on all our efforts.

Very truly yours,

J. E. KOFFENBERGER,  
Vice President, Sales.

ELANCO PRODUCTS Co.,  
A DIVISION OF ELI LILLY & Co.,  
Indianapolis, Ind., September 29, 1970.

*To pharmaceutical manufacturers:*

We have received reports that empty gelatin capsules, particularly No. 5's, are being utilized as containers for heroin. As distinctions in capsule sizes are minimal, other sizes may be involved.

Should you receive inquiries regarding the purchase of empty gelatin capsules, we recommend that you exercise care in filling such orders to prevent the diversion of capsules to illicit use. You may also wish to review any unusual requests with

local narcotics enforcement officers or with representatives of the Bureau of Narcotics and Dangerous Drugs.

Your courtesy in considering this recommendation would be appreciated. The growing national problem of drug abuse continues to require our mutual attention and concern.

Very truly yours,

R. MEANS,  
*Director, Industrial Sales.*

ELI LILLY & Co.,  
*Indianapolis, Ind., October 14, 1970.*

Re request for information on sales of No. 4 and No. 5 pink and clear empty capsules by Eli Lilly & Co. to certain pharmaceutical wholesalers.

Mr. ARNOLD G. SHULMAN,  
*Associate Counsel, Select Committee on Crime, House of Representatives, Congress of the United States, Cannon House Office Building, Washington, D.C.*

DEAR MR. SHULMAN: This is to confirm the information I provided you in a handwritten note on Tuesday, October 6.

During 1969 and 1970 Elanco Products Co., a division of Eli Lilly & Co., made sales of certain empty capsules to:

Reyman Drug Co., 817 East Baltimore Street, Baltimore, Md. 21202.  
Sales for 1969 and 1970 included the following:

| Size                                     | Empty capsules |
|--|----------------|
| 1969:                                    |                |
| No. 5 clear.....                         | 900,000        |
| No. 5 pink.....                          | 1,700,000      |
| No. 5 orange.....                        | 300,000        |
| No. 5 red capsule/opaque white body..... | 200,000        |
| No. 4 pink.....                          | 100,000        |
| 1970:                                    |                |
| No. 5 clear.....                         | 1,300,000      |
| No. 5 pink.....                          | 2,000,000      |

On September 22, 1970, Elanco Products Co. received the following capsules which were returned by the Reyman Drug Co.:

|                   |         |
|-------------------|---------|
| Size 5 clear..... | 200,000 |
| Size 5 pink.....  | 300,000 |

Very truly yours,

JOHN M. HOLT, *Senior Counsel.*

Mr. PEPPER. Thank you.

Our next witness is Mr. H. L. Richardson, director of pharmaceutical marketing and planning for Parke-Davis & Co., and Mr. Richardson is accompanied by his counsel or counsel for the company, Mr. William McNeill. Mr. Richardson, we are pleased to have you. Have a seat, gentlemen.

I believe, Mr. Richardson, you have a prepared statement. Do you wish to read your statement or put it in the record and summarize it?

**STATEMENT OF HAZEN L. RICHARDSON, JR., DIRECTOR, PHARMACEUTICAL PRODUCTS MARKETING, PARKE-DAVIS & CO., ACCOMPANIED BY WILLIAM McNEILL, ATTORNEY AND ASSISTANT SECRETARY**

Mr. RICHARDSON. With your permission, Mr. Chairman, I would like to read the statement.

Mr. PEPPER. Very well. You may proceed.

Mr. RICHARDSON. Thank you.

Mr. Chairman, and members of the committee, Parke-Davis & Co. welcomes this opportunity to lend its support to the Select Committee

on Crime in its investigations of crime in the United States and we trust that our voluntary appearance before this committee will aid in the accomplishment of its purposes.

I am Hazen L. Richardson, director of pharmaceutical products marketing for Parke-Davis. I am also a registered pharmacist and have been associated with the drug industry for over 18 years. I am accompanied by Mr. William McNeill, attorney and assistant secretary for Parke-Davis.

Our appearance today, following discussions with your staff, Mr. Chairman, over the past several weeks, is in response to the request of your committee for information concerning the sales by Parke-Davis of empty hard gelatin capsules in the United States with particular emphasis on sales of the smallest size of clear and pink colored capsules, No. 5, in the Washington, D.C., Baltimore, Md., and Richmond, Va., areas.

Mr. PEPPER. About how does your company compare in gross sales annually with Eli Lilly & Co.? Are you larger or smaller?

Mr. RICHARDSON. We are considerably smaller, sir. I think Mr. De Boest referred to something like \$575 million. Our total corporate sales last year were in the area of \$285 million.

The committee has advised Parke-Davis that it has information that capsules of this size and color are being used for the packaging and distribution of heroin. The employment of this item for such a purpose is deplorable, and Parke-Davis joins this committee in its desire and effort to stamp out such a practice. Our company shares the deep concern of the committee and the public over the increasing illicit use of drugs and will continue to cooperate with Federal, State, and local authorities in every way possible to fight the evil forces which continue to threaten the youth of our Nation.

As evidence of Parke-Davis' concern with the possible improper use of No. 5 empty capsules, I wish to call the committee's attention to three experiences of our Baltimore branch office. In each instance, if I may, I would prefer not to publicly identify our pharmacy-customer but I will give that information and the name of the Federal narcotics agent involved to the committee if it would be helpful.

In mid-May 1970 our Baltimore branch received a telephone order for 50,000 No. 5 empty capsules from an established pharmacy in that city. Personnel of our branch office were concerned because of the size of the order and contacted the secretary of the Maryland State Board of Pharmacy before filling it. The State board of pharmacy put our personnel in touch with an agent of the Federal Narcotics Bureau in Baltimore to whom we gave information concerning the order. After contacting our customer, the Federal agent advised us to make the sale and delivery. This was done in accordance with instruction and we are advised by the narcotics agent that he subsequently apprehended a purchaser of 15,000 empty capsules. The remaining 35,000 capsules were returned to us by the pharmacy-customer.

In another incident, in June 1970, our Baltimore branch received a telephone order from a caller representing himself as an employee of Johns Hopkins University purchasing department. The caller ordered 10,000 No. 5 and 2,000 No. 3 unfilled capsules to be picked up at our branch as a c.o.d. purchase. Subsequently, the caller appeared at the branch, presented a valid Johns Hopkins University requisition order, or what appeared to be valid, and picked up and paid for the order.



A few days later, the same person contacted our branch again by phone and ordered 15,000 No. 5 empty capsules and indicated he would pick up the order in about 90 minutes. Our branch personnel immediately contacted the Federal narcotics agent and advised him of the order. The agent came to our branch office premises, awaited the arrival of the customer and instructed our personnel to advise the customer that the item was out of stock. This was done, and as the man who attempted to make the purchase left our premises, he was apprehended by the agent. We subsequently were informed that the apprehended individual was an employee of but was not making the purchase on behalf of Johns Hopkins University.

In a third incident in July, our Baltimore office received a telephone order from a pharmacy-customer for 25,000 No. 5 unfilled capsules. Our personnel advised the Federal narcotics agent of the order and indicated it would not be shipped until he had an opportunity to investigate it. The narcotics agent called on the pharmacy-customer and the order was subsequently canceled.

These experiences illustrate the actions we have taken to protect against the illegal use of these products intended for the pharmaceutical trade. Because of these experiences and because of information brought to our attention by the committee staff, Parke-Davis has, effective October 1 by notification to all its branches, completely suspended sales of No. 5 unfilled capsules until further guidelines can be developed to insure that even this small fractional percentage of unfilled capsules does not find its way to illegal use.

Although diligence on the part of some of our branch personnel has aided in halting or reducing the availability of quantities of No. 5 capsules in some illegitimate channels of distribution, we recognize that it may still be possible for improper persons to obtain capsules intended for legitimate pharmaceutical use and divert them for the illegal purpose cited by this committee.

In our effort to further curtail the illegitimate traffic of capsules of all sizes, Parke-Davis, in addition to suspending the sales of No. 5 capsules, has taken the following action:

1. The special products division of the company has been ordered to carefully scrutinize all future orders received from other pharmaceutical manufacturers and obtain verification from responsible persons in such companies as to the ultimate use for such capsules prior to filling such orders.

2. Responsible personnel of the Parke-Davis United States marketing division will conduct a study to determine the actual current needs of retail and hospital pharmacists for all sizes of unfilled capsules.

3. In the event the market study reveals that there is still a legitimate need for those items, as we expect it will, stricter internal controls will be initiated to insure sales only in quantities sufficient to meet legitimate requirements by legal users. If this study should reveal that there is no further need for a particular size capsule, it will be removed from our capsule line.

I would like to reemphasize that we are conscious of the grave concern that this committee and the general public have regarding the illegal drug traffic throughout the United States, and Parke-Davis



wishes to work with this committee in an effort to reach a solution. In addition to our own efforts, we also ask this committee to encourage local, State, and Federal authorities to contact our company at any time they feel we may be able to assist in anyway in dealing more effectively with this problem.

Attached to the copies of this statement filed with the committee is a summary of the statistical information we have previously supplied to your staff at its request. Since this statement was originally prepared, we have received further reports and returns that should be credited to the gross capsule sales. If you would forgive me for a minute I would like to point out the changes that should be made in the attachments:

On the first page of the attachments, in the very last paragraph, we refer to sales amounting to \$158. That figure should be changed to \$129. And the bottom line, the \$180 figure should be reduced to \$95.50.

On the second page, in the third paragraph, there is a \$602 figure which should be reduced to \$452. And one final change is on page 3, at the top line, the 136,800 should be reduced to 89,800.

Mr. Chairman, we will be pleased to endeavor to answer any questions which the committee may wish to ask.

(The attachment referred to above follows:)

ATTACHMENT TO STATEMENT OF HAZEN L. RICHARDSON, JR., DIRECTOR, PHARMACEUTICAL PRODUCTS MARKETING, PARKE-DAVIS & Co.

Parke-Davis & Co. is a major manufacturer of pharmaceutical, biological, medical-surgical, and related health products. Our company has manufactured empty gelatin capsules in various sizes and in a variety of color combinations since about 1890. Approximately 99 percent of this production is used by our own company or sold to other manufacturers for the further manufacture of finished pharmaceutical products. The remaining 1 percent is sold through our branches to hospital and retail pharmacists for purposes of compounding prescription drugs, or to wholesalers who, in turn, supply their hospital or retail pharmacy outlets.

Through its 19 sales branches (list attached), Parke-Davis services 68,213 direct accounts for all products. At the request of the committee we have previously reported the sales of unfilled capsules of all sizes through our branches for 1969 and the first 7 months of 1970 and of sales of unfilled No. 5 capsules in the Washington, D.C., Baltimore, Md. and Richmond, Va., areas during the same periods.

In the Washington, D.C., area, 1969 sales of unfilled No. 5 capsules amounted to \$158 and the sales of that item for the first 7 months in 1970 amounted to \$180. All of these capsule sales were to the same customer, a wholesale distributor in Washington, with whom Parke-Davis has done business for many years and whose pattern of distribution involves sales to hospitals and retail pharmacies.

There were no sales of unfilled No. 5 capsules by Parke-Davis in Richmond, Va., either in 1969 or in 1970.

Our sales of unfilled No. 5 capsules in Baltimore through our branch there were approximately \$85 in 1969 and approximately \$602 for the first 7 months in 1970. In addition to these sales indicated above, during 1969, by direct bulk sale from our Detroit headquarters, we sold 300,000 No. 5 unfilled capsules to Reyman Drug Co., of Baltimore, Md. Reyman Drug, according to our information, is an ethical pharmaceutical wholesaler and repackager. Through July 1970, we sold, in a similar manner, 1,200,000 unfilled No. 5 capsules to the same pharmaceutical wholesaler.

The following table lists the net shipments by all Parke-Davis branches of unfilled gelatin capsules during 1969 divided by class of trade or customer. The table also reflects sales of unfilled No. 5 capsules to our customers by class and the total number of accounts in each customer category.

## NET SHIPMENTS BY BRANCHES OF EMPTY GELATIN CAPSULES BY CLASS OF TRADE

| Type of account                                    | 1969                                    |                                |                              |
|--|---|--------------------------------|------------------------------|
|  | Total purchase of<br>all empty capsules | Purchases of<br>No. 5 capsules | Number of direct<br>accounts |
| Pharmacies (independents and chains).....          | \$75, 579                               | \$15, 203                      | 43, 695                      |
| Hospitals and institutions (nontax supported)..... | 3, 259                                  | 88                             | 5, 564                       |
| City, county, State hospitals.....                 | 4, 996                                  | 80                             | 5, 529                       |
| VA hospitals.....                                  | 1, 196                                  | 10                             | 189                          |
| Wholesalers.....                                   | 7, 531                                  | 688                            | 425                          |
| Distributors.....                                  | 73                                      | 1                              | 1                            |
| Surgical supply dealers.....                       | 2, 591                                  | 8                              | 886                          |
| Clinics.....                                       | 184                                     | 5                              | 4, 756                       |
| Veterinary hospitals.....                          | 1, 734                                  | 12                             | 3, 832                       |
| Nursing homes.....                                 | 49                                      | 0                              | 820                          |
| Federal Government accounts.....                   | 306                                     | 39                             | 542                          |
| Industrials.....                                   | 5, 544                                  | 172                            | 656                          |
| Miscellaneous.....                                 | 12, 941                                 | 141                            | 1, 318                       |
| Totals.....  | 115, 983                                | 16, 447                        | 68, 213                      |

During 1969 and 1970 to date, we have total sales of 136,800 unfilled No. 5 capsules in Washington, D.C. These sales have all been to one customer, Washington Wholesale Drug Exchange. We have, during the stated period, made no sales of unfilled No. 5 capsules to any other customer, wholesaler or otherwise, in Washington. During this period the only other sale in the Metropolitan District of Columbia area was a sale of 1,000 capsules to Boulevard Drug Center, Fairfax, Va. This sale was made by our Baltimore branch to a pharmacy customer.

In addition to the information above, we have previously provided the committee on a confidential basis statistical information on total product sales, total nationwide capsule sales, and percentage data, in accordance with the request of your staff.

## PARKE-DAVIS BRANCHES, TERRITORIES, AND ACCOUNTS

| Branch           | Number of<br>territories | All products | Branch             | Number of<br>territories | All products |
|------------------|--------------------------|--------------|--------------------|--------------------------|--------------|
| Atlanta.....     | 80                       | 6, 374       | Memphis.....       | 27                       | 2, 325       |
| Baltimore.....   | 72                       | 3, 668       | Minneapolis.....   | 28                       | 2, 717       |
| Boston.....      | 51                       | 4, 223       | New Orleans.....   | 29                       | 2, 032       |
| Chicago.....     | 71                       | 5, 724       | New York.....      | 87                       | 5, 441       |
| Cincinnati.....  | 58                       | 4, 746       | Philadelphia.....  | 45                       | 2, 855       |
| Dallas.....      | 50                       | 3, 985       | Pittsburgh.....    | 56                       | 3, 573       |
| Denver.....      | 27                       | 2, 050       | St. Louis.....     | 29                       | 2, 187       |
| Detroit.....     | 45                       | 2, 678       | San Francisco..... | 40                       | 3, 551       |
| Kansas City..... | 40                       | 3, 390       | Seattle.....       | 37                       | 2, 671       |
| Los Angeles..... | 62                       | 4, 022       |                    |                          |              |

Mr. PEPPER. Just before we begin, do we have here your figures for the total number of No. 5 gelatin capsules which your company sold in 1969?

Mr. RICHARDSON. Yes, sir; they have been submitted.

Mr. PEPPER. What is that figure?

Mr. RICHARDSON. In 1969, our total sales through our branch offices were 32,002,200. This is all capsule sales; 32,002,200 total empty capsules. The No. 5's in 1969 consisted of 7,400,600.

Mr. PEPPER. 7,400,600 in 1969?

Mr. RICHARDSON. That is right, sir.

Mr. PEPPER. Now, you sold those to wholesalers?

Mr. RICHARDSON. No, sir. We, in contrast to the Eli Lilly Co., are primarily a direct distributor.

Mr. PEPPER. You primarily deal with the druggist?

Mr. RICHARDSON. With the druggist.

Mr. PEPPER. How many have you sold thus far in 1970?

Mr. RICHARDSON. Through the first 7 months, the comparable figures would be 20,443,600 total capsules. No. 5's, 6,626,400.

Mr. PEPPER. Your 6 million and how much?

Mr. RICHARDSON. 6,626,400.

Mr. PEPPER. Six million, over six and a half million, thus far. When does that period end that you are talking about, the seventies?

Mr. RICHARDSON. I am sorry, sir, I didn't hear you.

Mr. PEPPER. 6,600,400, up to what date?

Mr. RICHARDSON. That is through the first 7 months, through July 31.

Mr. PEPPER. Well, you were selling at a greater rate, then, in 1970 than you sold in 1969.

Mr. RICHARDSON. Very definitely, sir.

Mr. PEPPER. Did that strike you as unusual, or significant?

Mr. RICHARDSON. Well, as pointed out in the instance in the Baltimore branch, sir, in this particular part of the country it evidently was a problem. In monitoring our total capsule line which is, of course, a very small part of our business, a very, very small part, historically we have monitored the total line which has never been out of line at all, and total sales, and actually as a pharmacist, when you stop to think that the difference between a No. 5 and a No. 4 is not that significant, it was hard for us to realize until the committee brought it to our attention that the No. 5 had become such a favorite target and it was only through the experience of our own Baltimore branch and the reports of the committee that made us aware of what a serious problem this has become.

Mr. PEPPER. What do you estimate your sales of No. 5 will be for the second half of 1970?

Mr. RICHARDSON. We suspended sales October 1.

Mr. PEPPER. You suspended entirely?

Mr. RICHARDSON. Entirely.

Mr. PEPPER. I want to commend you on that. That is a very fine step to take.

Mr. RICHARDSON. Thank you, sir.

Mr. PEPPER. You found there was relatively little legitimate need for these No. 5 capsules; is that it?

Mr. RICHARDSON. Step 2 of our program would be to conduct a really in-depth research study to find out the actual need, not only of No. 5's, but all sizes.

Mr. PEPPER. I hope you and the other producers will give attention to No. 4 capsules, because looking at them, as we see them here in these packages (looking at Eli Lilly exhibit), they seem to be relatively comparable in size to No. 5.

Mr. RICHARDSON. We will investigate all sizes.

Mr. PEPPER. If heroin dealers can't get No. 5, they will turn immediately to No. 4, and we will have to start all over again. I commend you on that cessation of production. I hope others will follow your good example.

Are there any questions from the members, or our chief counsel?  
Mr. Waldie?

Mr. WALDIE. I join the chairman in the commendation in halting the sales of these capsules, but I am curious, on page 2, I guess, of your attachment where you discuss Reyman Drugs—is that Reyman or—



Mr. RICHARDSON. Reyman Drugs.

Mr. WALDIE. What is the difference between a bulk sale from your Detroit headquarters and your Baltimore branch sale?

Mr. RICHARDSON. Our special products division is similar to the Eli Lilly Elanco Corp. in that it handles the industrial sales. The special products division for Parke-Davis handles the sale of bulk empty capsules to industrials, other pharmaceutical manufacturers. It handles bulk chemicals but it is primarily a bulk supplier to manufacturers, to the other manufacturers.

Mr. WALDIE. Now, Reyman Drug is considered, then, a manufacturer that would deal with the special products division?

Mr. RICHARDSON. According to the information we have received, it is an ethical drug wholesaler and repackager.

Mr. WALDIE. Now, what I would like to know is what information did you have that led you to the conclusion that it was an ethical wholesaler and repackager?

Mr. RICHARDSON. The check that we have employed in the past on receipt of an order by the special products division was that this was subjected not only to a credit check but this also involved a Dun & Bradstreet report and, of course, this may be a fallacious assumption, but if they are substantial enough to have a Dun & Bradstreet report, there was some credit to—

Mr. WALDIE. A what report?

Mr. RICHARDSON. Dun & Bradstreet report. I am sorry, I should comment as I mentioned in the—

Mr. WALDIE. Did they have a Dun & Bradstreet report, Reyman Drugs?

Mr. RICHARDSON. Yes, sir, right.

Mr. WALDIE. I assume they had a good credit check.

Mr. RICHARDSON. Yes, sir.

Mr. WALDIE. And that was the extent of the investigation that concludes that they were an ethical pharmaceutical wholesaler and packager.

Mr. RICHARDSON. Yes. I would like to mention, Mr. Waldie, as I pointed out in our prepared statement, in the future the special products division will screen all orders very carefully. As a step in the right direction here, the special products division was transferred to the U.S. marketing division on May 1 of 1970, so that we could better coordinate the total sales of empty capsules throughout the United States. In other words, we would have a better control over both the branch sales and the special products division.

Mr. WALDIE. Well, I certainly again want to commend you. I don't want to go into much of the areas that seem to be fairly explicit in your statement. You have laid it out quite clear.

Mr. RICHARDSON. Thank you.

Mr. WALDIE. I want to commend you for taking the step to further the suggestion that Mr. Wiggins made to the Eli Lilly people. I would hope that you would similarly inform this committee within a reasonable period of time of the results of your resurvey as to what needs exists for the legitimate production of No. 5 capsules and as to what your ultimate decision is relative to manufacturing and handling that capsule in the future.

Mr. RICHARDSON. We would like to continue working with the committee.



Mr. WALDIE. I have no further questions.

Mr. WIGGINS. Just briefly, I join with my colleague in commending you for what you have done thus far. My observations to the Eli Lilly Co. are applicable to you as well. I hope you will be aggressive in your efforts to see that your products are not diverted. And to show you that there are consequences of failing to be aggressive in your existing policies, I urge you to stick around this afternoon and listen to some of the witnesses, some of whom are customers of yours. There will be some enlightening testimony this afternoon in that connection.

I particularly was interested in your program of verifying the purchases of manufacturers. That is an area in which I think you should be especially careful in the future.

Mr. RICHARDSON. Very definitely.

Mr. PEPPER. Mr. Steiger.

Mr. STEIGER. Thank you, Mr. Chairman. As far as I am concerned, gentlemen, you have come up with a solution on No. 5 capsules and we are very pleased about that decision. I would share with you an experience that I have had only just within the last year, an experience that you have obviously suffered from, at least from the same general syndrome. We have a tendency to assume that if an entity is licensed by any political subdivision for any purpose that is all right. If it is licensed by the Federal Government it certainly must be all right. I only tell you this is a much broader area than drugs. I am talking about any sort of a license to do business. Organized crime has learned that this kind of acceptance grows and once accepted, even by as patently shallow a device as a credit report, that it can be parlayed into acceptance by what are recognized as a general situation which do establish standards. And of course, the truth of the matter is that we in this battle against organized crime of which narcotics is but one segment are really outmanned hopelessly. We are underfinanced, we are overworked. And so it is really going to be the responsibility of responsible entities such as yours to be very skeptical and to be doubly diligent.

It will be more expensive for you undoubtedly but it will spare you both embarrassment and I am sure in the long run it will spare you costs. The fact that an entity or individual has got some kind of a license to do business is simply no longer valid as evidence of his good character. In fact, I am not certain but what there isn't a corollary between the more such licensee has, the more suspect he is. At least, that has been my reaction in my own experience. So I wish you well and hope that you continue your vigilance.

Mr. RICHARDSON. Thank you, Mr. Steiger. We are in complete sympathy.

Mr. PEPPER. Mr. Richardson would your company be prepared to support proper legislation in this field which we are investigating in these hearings?

Mr. RICHARDSON. I think that at the end of our research studies, sir, we will have some information that will be of interest to the committee. We are in support of any legislation that is necessary in this area. We hate always, of course, to see legislation that makes it more difficult or more expensive for people who have a definite need for a legitimate product, but if this is what is required, the answer would have to be "Yes."

Mr. PEPPER. Well, just in conclusion, Mr. Richardson, let me again, on behalf of the entire committee, commend your company for the policy you have announced here, viz, that you have stopped selling these No. 5 clear and gelatin capsules.

Mr. RICHARDSON. We discontinued the pinks quite some time ago.

Mr. PEPPER. After our New York hearings, the major manufacturers and distributors of the 1½-inch-square glassine envelopes, which we found in those hearings were being used for the packaging of heroin, discontinued stocking these items, we hope these hearings will be a landmark for industry and the public—some of the big drug houses of the country, appeared and voluntarily announced that they had curtailed the manufacture, sale and distribution of these No. 5 capsules used in the heroin trade. We fervently hope that others will announce that they are going to discontinue the manufacturing of these No. 5 capsules following the example set by Parke-Davis and others. It is my hope that this hearing may have contributed in some small way to the interference of the illicit traffic in heroin, which causes such terrible injury to this country and especially to its youth.

Thank you for your contribution, gentlemen.

Mr. RICHARDSON. Thank you, Mr. Chairman. We appreciate the opportunity.

Mr. PEPPER. We haven't called all the big drug companies here today. We have only called two or three, but these hearings are a matter of public record and I hope that the press and media will carry commendably what you gentlemen have done, or propose to do, so that we won't have to call the other big drug houses of the country in the future. We hope other companies will not have to be called here personally to hear what you have heard, and we hope they will follow your splendid and commendable example.

Thank you very much.

The committee will take a recess until 2 o'clock this afternoon.

(Whereupon, at 11:45 a.m., the committee recessed, to reconvene at 2 p.m. of the same day.)

#### AFTERNOON SESSION

Mr. PEPPER. The committee will come to order, please.

The committee now calls Mr. Meyer Oxman, president of the Reyman Drug Co., located at 817 East Baltimore Street, Baltimore, Md.

Mr. Oxman appears today under a subpoena issued by the House Select Committee on Crime.

Mr. Oxman, will you please come forward. Are you accompanied by your attorney?

Mr. OXMAN. Yes, Mr. Chairman.

Mr. PEPPER. What is his name?

Mr. ROSENBLATT. My name for the record, is Josef Rosenblatt.

Mr. PEPPER. And you are an attorney at law and you are accompanying Mr. Oxman here today.

Mr. ROSENBLATT. That is correct, Mr. Chairman.

Mr. PEPPER. Very well; Mr. Oxman, will you please stand and be sworn? Hold up your right hand, please.

Do you solemnly swear that the testimony you are about to give before the House Select Committee on Crime will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. OXMAN. I do.

Mr. PEPPER. Please be seated.

**TESTIMONY OF MR. MEYER OXMAN, PRESIDENT, REYMAN DRUG CO., ACCOMPANIED BY MR. E. JOSEF ROSENBLATT, COUNSEL**

Mr. ROSENBLATT. Mr. Chairman, if it please the committee, I would like to make just a brief statement, that when the investigator for the committee approached my client it was over the Jewish New Year's holiday. My client is an orthodox Jew, and he was a bit flustered and caught off, so to speak, at home, away from his records, and was a bit flustered by being presented under those circumstances—

Mr. PERITO. Counsel, I think that the committee should have an opportunity to hear from your client first. I think that you should have considered our rules of procedure before requesting an opportunity to make a statement. Our rules of procedure limit participation of counsel in a hearing. This is not a court of law, this is a congressional inquiry with a clear legislative purpose.

Mr. ROSENBLATT. I realize that.

Mr. PERITO. You understand then that this is a congressional inquiry, and not an adversarial proceeding.

Mr. ROSENBLATT. All I wanted to say further, Mr. Perito, is that we have voluntarily brought all our records to the committee. We have brought every record that was asked for and we would have done that without a subpoena as well.

Mr. PEPPER. All right. Mr. Rosenblatt, under our committee's rules of procedure you have the obvious right to advise your client. The rules of the committee do not contemplate the above participation of counsel, but we have always tried to be fair with counsel for any witness.

Mr. ROSENBLATT. I understand. This is my first occasion appearing before a congressional committee and I thank you.

The PEPPER. We are glad to have you here. Mr. Perito, would you start the questioning of Mr. Oxman?

Mr. PERITO. Thank you, Mr. Chairman. Mr. Oxman, I want to advise you that you are appearing and testifying at a public hearing before an authorized committee of the U.S. Congress, do you understand that, sir?

Mr. OXMAN. Yes.

Mr. PERITO. I further want to advise you that the House Select Committee on Crime is conducting a continuing investigation, and taking testimony, concerning the multiple problems of heroin trafficking throughout the United States, and, in this particular instance, our inquiry is focused upon the Greater Washington area. Do you understand that, sir?

Mr. OXMAN. Yes, Mr. Perito.

Mr. PERITO. The committee is further investigating, among other things, the possibility of the need for new Federal and/or District legislation, to regulate and control the manufacture, sale, distribution, and/or transfer of narcotics paraphernalia including, but not limited to



adulterants, diluents and packaging materials. Do you understand that, sir?

Mr. OXMAN. Yes, Mr. Perito.

Mr. PERITO. If, in your considered judgment, a truthful answer to any questions which I, or a member of the committee asks you, might tend to incriminate you, you have a constitutional right to refuse to answer that question on that basis. Do you understand that?

Mr. OXMAN. Yes.

Mr. PERITO. Do you understand that you are appearing today and testifying under oath?

Mr. OXMAN. Yes.

Mr. PERITO. Mr. Oxman, where do you live at the present time?

Mr. OXMAN. I live in Baltimore County, 3312 Lee Court.

Mr. PERITO. That is in Baltimore, Md.?

Mr. OXMAN. Yes. In Baltimore County, Md.

Mr. PERITO. How long have you lived at that address?

Mr. OXMAN. Almost 15 years.

Mr. PERITO. You presently are associated with the company by the name of Reyman Drug Co.?

Mr. OXMAN. Right. That is correct.

Mr. PERITO. Where is Reyman Drug Co. located?

Mr. OXMAN. 817 East Baltimore Street.

Mr. PERITO. Baltimore, Md.?

Mr. OXMAN. Right.

Mr. PERITO. How long have you been associated with Reyman Drug Co.?

Mr. OXMAN. Eighteen years.

Mr. PERITO. Are you an officer and director?

Mr. OXMAN. President of the corporation. It is a corporation.

Mr. PERITO. Is it a closed corporation?

Mr. OXMAN. Yes.

Mr. PERITO. Family company?

Mr. OXMAN. Yes.

Mr. PERITO. Do you own a majority of the stock in that company?

Mr. OXMAN. Yes.

Mr. PERITO. You are also associated with a company called Baltimore Vitamin Sales?

Mr. OXMAN. Division of the Reyman Drug. Co

Mr. PERITO. It is a division of the parent corporation?

Mr. OXMAN. Yes.

Mr. PERITO. It is a wholly owned subsidiary?

Mr. OXMAN. Yes.

Mr. PERITO. And do you do business out of the same address?

Mr. OXMAN. Yes.

Mr. PERITO. So, both Baltimore Vitamin Sales and Reyman are run from the address which you have just given?

Mr. OXMAN. Same address.

Mr. PERITO. Has Baltimore Vitamin Sales been in existence as long as Reyman?

Mr. OXMAN. Not quite.

Mr. PERITO. Are both of these companies licensed to do business by the Federal Drug Administration?

Mr. OXMAN. Yes.



Mr. PERITO. Now, your background, sir. You are a pharmacist by trade?

Mr. OXMAN. Yes, registered pharmacist.

Mr. PERITO. When did you receive your license to practice pharmacy?

Mr. OXMAN. 1946.

Mr. PERITO. Did you practice pharmacy after receiving your license?

Mr. OXMAN. Yes.

Mr. PERITO. At a local drugstore?

Mr. OXMAN. Yes.

Mr. PERITO. Where, sir?

Mr. OXMAN. In Baltimore City? I think I practiced about 10 years in Baltimore.

Mr. PERITO. I assume that as a pharmacist, you had occasion to fill prescriptions and do the normal things a pharmacist would do?

Mr. OXMAN. Oh, yes.

Mr. PERITO. In the process of your practice of pharmacy, did you have occasion to compound drugs and fill——

Mr. OXMAN. Oh, yes.

Mr. PERITO (continuing). Prescriptions?

Mr. OXMAN. Many, many.

Mr. PERITO. Did you use in the process No. 5 gelatin capsules?

Mr. OXMAN. Oh, yes.

Mr. PERITO. Did the pharmacy have a great need for No. 5 gelatin capsules when you were working?

Mr. OXMAN. Depending on how busy the store I worked in was. It all depends on the individual store, if it had a lot of the prescriptions or did not.

Mr. PERITO. Can you give us a ballpark estimate of the number of——

Mr. OXMAN. I could not remember. It was too many years.

Mr. PERITO. No recollection?

Mr. OXMAN. Too many years gone back.

Mr. PERITO. Would it be fair to say the amount of or need for No. 5 gelatin capsules at the pharmacy was fairly limited?

Mr. OXMAN. I could not tell you because it goes back too many years in my life.

Mr. PERITO. Now, in your experience as a pharmacist, did you also have occasion to dispense quinine hydrochloride?

Mr. OXMAN. As a practicing pharmacist?

Mr. PERITO. Yes, sir.

Mr. OXMAN. Mostly in the sulfate.

Mr. PERITO. Quinine sulfate rather than quinine hydrochloride.

Mr. OXMAN. Yes.

Mr. PERITO. You seldom dispensed quinine hydrochloride?

Mr. OXMAN. I do not recall selling too much hydrochloride in the drugstore when I practiced. I cannot recall. It has been too many years ago.

Mr. PERITO. So, you cannot recollect?

Mr. OXMAN. I cannot recollect. It goes back—I do not know—1945, about 20 years ago.

Mr. PERITO. From your experience in pharmacy training what did you learn in pharmacy school was the normal use for quinine hydrochloride?

Mr. OXMAN. Well, quinine is used for many purposes.

Mr. PERITO. Would you——

Mr. OXMAN. I have to go back.

Mr. PERITO. Did you——

Mr. OXMAN. Right off hand, I mean, I have been out of school for so many years I do not remember exactly how many number of things are used for quinine because I never in our drugstore we—we use hydrochloride in our products, by the way. It is incorporated in our products.

Mr. PERITO. So, it is your best recollection that quinine hydrochloride had many uses.

Mr. OXMAN. Oh, yes, many uses.

Mr. PERITO. But you cannot remember any at the present time?

Mr. OXMAN. Oh, well, used for malaria. It is used in cold capsules. It is used in menstrual compounds, for pains.

Mr. PERITO. Had you ever heard it was used to make candles with?

Mr. OXMAN. No.

Mr. PERITO. You never heard that?

Mr. OXMAN. Never heard that before.

Mr. PERITO. All right. Now, let us take you up to 1969. There came a time in your business when you met a Reverend Kenney?

Mr. OXMAN. In 1969, yes.

Mr. PERITO. Now, before you met Reverend Kenney, did you stock No. 5 empty——

Mr. OXMAN. Never.

Mr. PERITO. May I finish the question, sir?

Mr. OXMAN. Never.

Mr. PERITO. Before you met Reverend Kenney, did you stock No. 5 empty gelatin capsules?

Mr. OXMAN. Never.

Mr. PERITO. You did not. So, you did not keep them as a basic inventory item?

Mr. OXMAN. Never.

Mr. PERITO. You do not at Reyman Drug run a manufacturing——

Mr. OXMAN. No.

Mr. PERITO. You do not do repackaging, do you?

Mr. OXMAN. Just a few items but most of this comes from the factory labeled with our own label.

Mr. PERITO. So, you had no need to stock the No. 5 gelatin capsules.

Mr. OXMAN. Right.

Mr. PERITO. Now, did you stock as an inventory item quinine hydrochloride?

Mr. OXMAN. No.

Mr. PERITO. You had no calls for it?

Mr. OXMAN. No.

Mr. PERITO. And I assume that in your business you service retail pharmacies.

Mr. OXMAN. Right. Correct.

Mr. PERITO. You have been doing this as a family business for a number of years?

Mr. OXMAN. Medical centers, drugstores, doctors, for years we have been selling them.

Mr. PERITO. And so, in the course of your business, you had no calls for either the empty gelatin——

Mr. OXMAN. No.

Mr. PERITO (continuing). No. 5 capsules or quinine hydrochloride?

Mr. OXMAN. Just the sulphate.

Mr. PERITO. But there did come a time when you met a gentleman by the name of Reverend Kenney.

Mr. OXMAN. Right.

Mr. PERITO. Do you recall when you first met him?

Mr. OXMAN. I believe it was 6 to 8 weeks prior to my first sale to him. He came in six or seven times.

Mr. PERITO. Was it in May or June of 1969?

Mr. OXMAN. Approximately that date.

Mr. PERITO. Did he come in to see you alone?

Mr. OXMAN. Well, he came in with his assistant, reverend and his chauffeur.

Mr. PERITO. The reverend had a chauffeur?

Mr. OXMAN. Uh-huh.

Mr. PERITO. Was he driving a large car?

Mr. OXMAN. Yes, he was. He was driving a Cadillac.

Mr. PERITO. And his assistant, what was his name?

Mr. OXMAN. Dr. Hakeem.

Mr. PERITO. That is spelled H-A-K-E-E-M?

Mr. OXMAN. Many, many.

Mr. PERITO. He had a couple of other names?

Mr. OXMAN. Well, the whole name is Dr. Hakeem Sham Su Deen.

Mr. PERITO. And for purposes of the record, that is S-h-a-m S-u D-e-e-n, and he came in with his assistant. What did he tell you when you first had a conversation with him?

Mr. OXMAN. He told us that he wanted to prepare crucifixes and love beads and decorative charms and beads with these capsules, incorporating into the capsules a special kind of a clay, and he showed us pictures and also he wore a head piece of these capsules in the formation of the clay and showed them to me and also showed us pictures of it.

Mr. PERITO. He had pictures of ornaments that he had made?

Mr. OXMAN. Crucifixes——

Mr. PERITO. Love beads?

Mr. OXMAN. Love beads.

Mr. PERITO. Did he say who was going to put these capsules together for him?

Mr. OXMAN. Yes. He said he had a rehabilitation program for the blind.

Mr. PERITO. Did he tell you where that rehabilitation program was located?

Mr. OXMAN. That address, on this church. On Seventh Street.

Mr. PERITO. Seventh Street in the District?

Mr. OXMAN. Yes.

Mr. PERITO. He said he was representing the House of Candlelight?

Mr. OXMAN. That was next door.

Mr. PERITO. It is the Washington Pentacostal Church? Is that it?

Mr. OXMAN. On that insert I showed you.

Mr. PERITO. And that address is 1207 Seventh Street?

Mr. OXMAN. That is correct.

Mr. PERITO. And 2901 18th Street NW., in Washington.

Mr. OXMAN. Yes.



Mr. PERITO. And the Reverend Kenney said that out at this church he had some people that put together these beads?

Mr. OXMAN. Rehabilitation program for blind people.

Mr. PERITO. Did you ask him when he mentioned this to you how many people he had working for him?

Mr. OXMAN. I did not ask exactly but I understood it was a large quantity of people he had working there.

Mr. PERITO. How did you gather this understanding?

Mr. OXMAN. Because he showed us pictures of his congregation and how many people were involved.

Mr. PERITO. Did they all have love beads on?

Mr. OXMAN. Not all of them.

Mr. PERITO. Some of—

Mr. OXMAN. Some had.

Mr. PERITO. And they were made of empty No. 5 gelatin capsules?

Mr. OXMAN. Yes.

Mr. PERITO. And you could discern this from the picture.

Mr. OXMAN. Yes.

Mr. PERITO. Now, how many capsules did he first ask you for?

Mr. OXMAN. He asked me to get him 100,000.

Mr. PERITO. Did he tell you how many love beads could be made out of 100,000 capsules?

Mr. OXMAN. No; he did not tell me that.

Mr. PERITO. Did you ask him?

Mr. OXMAN. No; I did not.

Mr. PERITO. And so you went about to order these capsules.

Mr. OXMAN. Specifically for his undertaking with the blind people.

Mr. PERITO. And you ordered them from Eli Lilly.

Mr. OXMAN. Yes, and initially I ordered for him special color combinations to make different designs, black and white and orange and pink and clear. All kinds of colors he wanted for his designs.

Mr. PERITO. And did he tell you after your initial six or seven discussions how many gelatin capsules he needed each month to keep his operation going?

Mr. OXMAN. Well, apparently he must have been successful because he started increasing it.

Mr. PERITO. When you say apparently he must have been successful, did he tell you he was successful?

Mr. OXMAN. Yes, he did say he was successful in it.

Mr. PERITO. Did he say he was reselling these capsules made into love beads?

Mr. OXMAN. He said he was reselling them.

Mr. PERITO. Did he tell you what the price was?

Mr. OXMAN. No.

Mr. PERITO. Did you ask him?

Mr. OXMAN. I did not ask him.

Mr. PERITO. Now, all this transpired before he started to ask for quinine, right?

Mr. OXMAN. That is correct.

Mr. PERITO. So, how many capsules did he then order each week?

Mr. OXMAN. He did not buy them each week.

Mr. PERITO. He bought by the month?

Mr. OXMAN. Initially just one drum a month, I think it was.

Mr. PERITO. 100,000.

Mr. OXMAN. That is right.



Mr. PERITO. Now, how would he pick these up?

Mr. OXMAN. He would pick it up himself——

Mr. PERITO. He would drive——

Mr. OXMAN (continuing). Initially.

Mr. PERITO (continuing). Over?

Mr. OXMAN. That is right.

Mr. PERITO. Would the chauffeur be with him?

Mr. OXMAN. At times he would be; yes.

Mr. PERITO. And the chauffeur would pack the boxes in the car?

Mr. OXMAN. Right.

Mr. PERITO. Now, before you made an initial sale to him, you secured a contract from him, did you not?

Mr. OXMAN. That is right. That is right.

Mr. PEPPER. I am sorry. We are going to have to run over to the floor and vote, so we will take a temporary recess. We will be back shortly.

(A brief recess was taken.)

Mr. PEPPER. The committee will come to order.

You may proceed, Mr. Perito.

Mr. PERITO. Thank you, Mr. Chairman. Mr. Oxman——

Mr. OXMAN. Yes, Mr. Perito.

Mr. PERITO. Directing your attention back to your discussions, that is, your initial discussions, with the Reverend Kenney and Reverend Hakeem, his assistant.

Now, these discussions took place before you made the initial sale of No. 5 gelatin capsules to him; is that correct?

Mr. OXMAN. That is right.

Mr. PERITO. And you talked to him on six or eight occasions?

Mr. OXMAN. Correct.

Mr. PERITO. Reverend Kenny came to see you?

Mr. OXMAN. Yes.

Mr. PERITO. Did he tell you how he got your name?

Mr. OXMAN. No.

Mr. PERITO. Did you ask him?

Mr. OXMAN. No, I did not.

Mr. PERITO. At this time you had not been selling empty No. 5 gelatin capsules.

Mr. OXMAN. Never.

Mr. PERITO. You had not been selling quinine hydrochloride?

Mr. OXMAN. He also showed me brochures of his church activities, like the newspaper inserts, his functions and his activities such as I presented you with before.

Mr. PERITO. Mr. Chairman, I am going to ask that a newspaper article dated August 2, 1969, and entitled "Come and See This Great Man of God, Dr. Kenny," be marked "Exhibit No. 6."

Mr. PEPPER. This paper you offer is the Daily Sun of July 31-August 2, 1969.

Mr. OXMAN. He also presented me with many, many other inserts which I did not retain.

Mr. PEPPER. Is there objection to——

Mr. STEIGER. Mr. Chairman, reserving the right to object, Mr. Chairman, and I shall not object, I would simply like the record to reflect that the exhibit is an advertisement and not an article.

Mr. PERITO. Thank you, Mr. Steiger, I misspoke, you are correct, it is an advertisement rather than an article.

Mr. OXMAN. And he also showed me pictures.

Mr. PEPPER. The page to which reference is made is not numbered but——

Mr. ROSENBLATT. Mr. Chairman, I believe on the reverse——

Mr. PEPPER. On the opposite side of page No. 6. Without objection, it will be admitted into the record.

(The advertisement referred to above was marked "Exhibit No. 6" for reference and follows:)

EXHIBIT No. 6

# COME AND SEE

## This Great Man of God

*World Wide Radio Minister*

### DR. KENNY

---

#### TWO GREAT NIGHTS OF SERVICE

---

WEDNESDAY, JULY 30th

FRIDAY, AUGUST 1st

DR. KENNEY CAN DO AND WILL DO FOR YOU  
HEALING, MINISTERING TO THE SICK  
RESTORING SIGHT TO THE BLIND

---

#### MONEY TO PAY YOUR BILLS God's One Way One Day Blessing Plan

---

See and Hear Dr. Kenney at

### The Washington Penecostal Prayer Band Church

1203 · 7th STREET, N. W. — 483-9820

FREE ADMISSION

Mr. PERITO. Now, your first sale to the Reverend Kenny took place on July 30, 1969?

Mr. OXMAN. According to my records, that is correct. I have it all in the file.

Mr. PERITO. All right. I will ask our chief hearings officer, Mr. Bedell, to have you look through this material and see if these are the records of your sales to the Reverend—

Mr. OXMAN. Kenney.

Mr. PERITO (continuing). From July 1969 until your last sale. When did you make your final sale of gelatin capsules to the Reverend Kenney.

Mr. OXMAN. July of this year.

Mr. PERITO. July. Approximately 1 year of sales to the Reverend Kenney? And those sales are all reflected in your records? Those are the records which you produced for the committee pursuant to the service of a subpoena duces tecum?

Mr. OXMAN. That is correct. Also you did not mention—when the recess—you were discussing the contract. You did not get back on that contract again. Remember when you recessed—

Mr. PERITO. May I ask you some more questions first, sir?

May I kindly have those exhibits back, Mr. Bedell?

You wanted me to ask you a question about the contract which you inserted on the invoices; is that correct, sir?

Mr. OXMAN. That is right.

Mr. PERITO. That contract was pretty important to you; was it not?

Mr. OXMAN. Yes.

Mr. PERITO. Because in your mind you thought that you could be sure that if you had a contract you knew where the capsules were going; is that right?

Mr. OXMAN. That is correct.

Mr. PERITO. Did you draft this contract yourself?

Mr. OXMAN. Yes.

Mr. PERITO. You have no legal training, do you, sir?

Mr. OXMAN. No.

Mr. PERITO. And the contract reads, and I quote:

It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Dr. Rev. Kenney, have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.

Mr. OXMAN. That is correct.

Mr. PERITO. And then to be sure, you had Reverend Kenney sign the back of some of these invoices; is that correct, sir?

Mr. OXMAN. Most of them signed on the back.

Mr. PERITO. Did he sign those invoices in front of you?

Mr. OXMAN. Yes.

Mr. PERITO. Now, did he ask you why you wanted the contract on each invoice?

Mr. OXMAN. I wanted to make sure that he was going to use it for—under the conditions specified in the contract and only for those conditions.

Mr. PERITO. Did you have any doubt that he would use it for something other than the express purpose he stated?

Mr. OXMAN. No. I had no doubt.

Mr. PERITO. So, you just wanted to be sure, and that is why you added the legend to the contract?

Mr. OXMAN. That is right. I wanted to protect myself.

Mr. PERITO. But before he told you what he intended to use the capsules for, you had never heard that gelatin capsules——

Mr. OXMAN. No.

Mr. PERITO (continuing). Were used for this purpose.

Mr. OXMAN. Never.

Mr. PERITO. Now, his orders would usually run 100,000 to 200,000; is that correct?

Mr. OXMAN. That is correct.

Mr. PERITO. And sometimes his orders would be as high as 400,000 or 500,000?

Mr. OXMAN. Right.

Mr. PERITO. Did he tell you why the orders started to increase?

Mr. OXMAN. The only reason he specified was because his program was becoming very successful, his rehabilitation program.

Mr. PERITO. Did you ever go to his factory and see the capsules being assembled?

Mr. OXMAN. He invited me many times to go down on Seventh Street but my wife did not want to go down because of the area. I was scared to do that. He did invite me many times to go see his operations.

Mr. PERITO. You never had occasion, however, to go to his factory?

Mr. OXMAN. No; I did not go visit him.

Mr. PERITO. Now, once the program started, do you recall the total number of empty No. 5 gelatin capsules that you sold to him?

Mr. OXMAN. In a period of a year I sold him 7 million.

Mr. PERITO. Was it 8,800,000?

Mr. OXMAN. No; less than that.

Mr. ROSENBLATT. I believe that your assistant counsel has those figures. We never totaled them ourselves.

Mr. PERITO. Mr. Shulman, do you have the figures totaled?

Mr. SHULMAN. May I state for the record, that in my compilation, the figure comes out on a read to 8,800,000 capsules.

Mr. PERITO. Counsel, you do not dispute that figure; do you?

Mr. ROSENBLATT. No; I do not dispute that.

Mr. PERITO. Now, about the time that you were selling the Reverend gelatin capsules in volume, he asked you to start buying quinine hydrochloride for him; is that right?

Mr. OXMAN. Right. That is correct.

Mr. PERITO. And with the quinine sales you also inserted a legend on the contract?

Mr. OXMAN. Right.

Mr. PERITO. And so this additional quinine program started in September, is that right?

Mr. OXMAN. Whatever the first contract was made out for. I think it was about that time.

Mr. PERITO. September 15, 1969; a couple of months after he started to buy the capsules. What did he tell the reason was for his need for quinine hydrochloride?



Mr. OXMAN. He said next door to the church he had a home for the House of Candlelight and was utilizing the quinine in the preparation of religious prayer candles.

Mr. PERITO. Now, as a pharmacist, had you ever heard of this use for quinine hydrochloride?

Mr. OXMAN. No; I had not, but those medications are used for a lot of things in life which I know about and do not know about.

Mr. PERITO. Did you ever have occasion to discuss this intended use with some of your colleagues in the pharmacy profession, noting the uniqueness of this intended use?

Mr. OXMAN. No; out of my categories. Candles; I was not familiar with candle preparation.

Mr. PERITO. And you were not familiar with using quinine hydrochloride as a base for making holy candles?

Mr. OXMAN. I visited many stores out of town and I saw how they mixed various chemicals into candle tallow, to derive a certain type of incense. It is prevalent in certain areas and also different cosmetics, odors, and so forth.

Mr. PERITO. Did he tell you why he needed 200 ounces of quinine as his very first order?

Mr. OXMAN. For the purpose of preparing the candles.

Mr. PERITO. And then, the order would either be 100 or 200 ounces of quinine hydrochloride?

Mr. OXMAN. That is all.

Mr. PERITO. Mr. Schulman, have you also had an opportunity to compute the total amount of quinine hydrochloride from the invoices produced by Mr. Oxman?

Mr. SHULMAN. Yes; the gentleman has sold 1,600 ounces by his records and has purchased 1,800 ounces in all.

Mr. PERITO. Now, did Reverend Kenney ever tell you how many people it took to work on his second operation, that is, the candle operation?

Mr. OXMAN. No, no.

Mr. PERITO. I take it that you did not see that operation, either?

Mr. OXMAN. I did not see that operation; no.

Mr. PERITO. And you also put a legend on the quinine contracts:

It is hereby agreed by Rev. Kenney that the Quinine Hcl powder is to be used only in the preparation of prayer candles by the House of Candlelight, and NOT for medicinal purposes.

Mr. OXMAN. Right.

(Copies of the invoices referred to above were marked "Exhibit No. 7" for reference, and follow:)

## EXHIBIT No. 7

Saratoga 7-4679 - 4680  
AREA CODE 301

Invoice Number

REYMAN DRUG COMPANY, INC. BAITMORE VIL L IN SALES  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Rev. Kenney  
o/o House of Candlelight  
1207-7th St., NW  
Washington, D.C.

Invoice  
Date Sept. 15, '69  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

Terms:

Order Complete ☐Balance to follow ☐

Salesman

| Quantity   | Prod. No. | DESCRIPTION        | Price    | Total    |
|--|-----------|--------------------|----------|----------|
| 2 x 100 oz.  |           | Quinine Hol Powder | 1.60 oz. | \$320.00 |
| <p>It is hereby agreed by Rev. Kenney that the quinine Hol powder is to be used only in the preparation of prayer candles by the House of Candlelight, and NOT for medicinal purposes.</p> |           |                    |          |          |
| <p>All claims must be made within 6 days of receipt of shipment</p>  |           |                    |          |          |

## EXHIBIT No. 7—Continued

SALE NO. 7-4679 - 4680  
AREA CODE 301

Invoice Number

REYMAN DRUG COMPANY, INC. BALTIMORE VITAMIN SALES  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Reverend Kenney  
c/o House of Candlelight  
1207-7th St., NW  
Washington, D.C.  
Terms:

Invoice  
Date November 1, 1969  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesman

| Quantity  | Prod. No. | DESCRIPTION        | Price    | Total  |
|---|-----------|--------------------|----------|--------|
| 1 x 100 oz.   |           | Quinine HCL powder | 1.60 ea. | 160.00 |
| <p>It is hereby agreed by Reverend Kenney that the Quinine Hcl powder is to be used only in the preparation of prayer candles by the House of Candlelight, and not for medicinal purposes.</p> <p>All claims must be made within 5 days of receipt of shipment.</p> |           |                    |          |        |

## EXHIBIT No. 7—Continued

SARatoga 7-4679 - 4680  
AREA CODE 301

Invoice Number

BALTIMORE VITAMIN SALES

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen (for Dr. Rev. Kenney)c/o House of Candlelight1207-7th St., NW  
Washington, D.C.

Terms:

Invoice

Date December 31, 1969

Customer's

Number \_\_\_\_\_

Shipped

Via \_\_\_\_\_

Customer's

Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesman

| Quantity  | Prod. No. | DESCRIPTION        | Price    | Total  |
|---|-----------|--------------------|----------|--------|
| 2 x 100 oz.   |           | Quinine Hcl Powder | 1.60 oz. | \$320. |
| <p>It is hereby agreed by Rev. Kenney that the Quinine Hcl Powder is to be used only in the preparation of prayer candles by the House of Candlelight, and <u>not</u> for medicinal purposes.</p> |           |                    |          |        |
| <p><i>All claims must be made within 5 days of receipt of shipment.</i></p>   |           |                    |          |        |



## EXHIBIT No. 7—Continued

SArtalega 7-4679 - 4680  
AREA CODE 301

Invoice Number

BALTIMORE VITAMIN S ALEW  
**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen  
c/o House of Candlelight  
1207-7th St., NW  
Washington, D.C.

Terms:

Invoice  
Date January 15, 1970  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesman

| Quantity  | Prod. No. | DESCRIPTION        | Price      | Total  |
|---|-----------|--------------------|------------|--------|
| 1 x 100 oz.   |           | Quinine HCL Powder | \$1.60 oz. | 160.00 |
| <p>It is hereby agreed by Dr. Hakeem Sham Su Deen that the Quinine Hcl Powder is to be used only in the preparation of prayer candles by the House of Candlelight and NOT for medicinal purposes.</p> |           |                    |            |        |
| <p>All claims must be made within 5 days of receipt of shipment.</p>  |           |                    |            |        |

## EXHIBIT No. 7—Continued

Saratoga 7-4679 - 4680  
AREA CODE 301

Invoice Number

**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen  
c/o House of Candlelight  
1207-7th St., NW  
Washington, D.C.

Terms:

Invoice  
Date February 20, 1970  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

|  |           |  |  |          |          |
|--|-----------|--|--|----------|----------|
| Order Complete <input type="checkbox"/>  |           | Balance to follow <input type="checkbox"/> |  | Salesman |          |
| Quantity   | Prod. No. | DESCRIPTION                                |  | Price    | Total    |
| 1 x 100 oz.  |           | Quinine HCL Powder                         |  | 1.60 oz. | \$160.00 |
| <p>It is khereby agreed by Dr. Hakeem Sham Su Dean<br/>that the Quinine Hcl Powder is to be used only<br/>in the preparation of prayer candles by the House<br/>of Candlelight and not for medicinal purposes.</p> |           |  |  |          |          |
| <p>All claims must be made within 5 days of receipt of shipment.</p>   |           |  |  |          |          |

## EXHIBIT No. 7—Continued

SAraloga 7-4679 - 4680  
AREA CODE 301

Invoice Number

BALTIMORE VITAMIN SALES

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen  
c/o House of Candlelight  
1207-7th St. NW  
Washington, D.C.

Terms:

Invoice  
Date March 16, 1970  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

|  |           |  |  |          |        |
|--|-----------|--|--|----------|--------|
| Order Complete <input type="checkbox"/>  |           | Balance to follow <input type="checkbox"/> |  | Salesman |        |
| Quantity   | Prod. No. | DESCRIPTION                                |  | Price    | Total  |
| 1 x 100 oz.  |           | Quinine Hcl Powder                         |  | 1.60oz.  | 160.00 |
| It is hereby agreed by Dr. Hakeem Sham Su Deen that the Quinine Hcl Powder is to be used only in the preparation of prayer candles by the House of Candlelight and not for medicinal purposes. |           |  |  |          |        |
| All claims must be made within 6 days of receipt of shipment.  |           |  |  |          |        |

## EXHIBIT No. 7—Continued

SAralaga 7-4679 - 4680  
AREA CODE 301

Invoice Number

**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen  
1/5 House of Candlelight  
1247-7th St., NW  
Washington, D.C.

Terms:

Invoice  
Date April 2, 1970  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

|   |           |  |  |          |        |
|---|-----------|--|--|----------|--------|
| Order Complete <input type="checkbox"/>   |           | Balance to follow <input type="checkbox"/> |  | Salesmen |        |
| Quantity  | Prod. No. | DESCRIPTION                                |  | Price    | Total  |
| 2 x 100 oz.   |           | Quinine Hcl Powder                         |  | 1.60oz.  | 320.00 |
| <p>It is hereby agreed by Dr. Hakeem Sham Su Deen that the Quinine Hcl Powder is to be used only in the preparation of prayer candles by the House of Candlelight and not for medicinal purposes.</p> |           |  |  |          |        |
| <p>All claims must be made within 5 days of receipt of shipment.</p>  |           |  |  |          |        |



## EXHIBIT No. 7—Continued

SARatoga 7-4679 - 4680  
AREA CODE 301

Invoice Number

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET . BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen (to be picked up by  
Mr. Gayman)  
c/o House of Candlelight  
1207-7th St., NW  
Washington, D.C.

Terms:

Invoice  
Date May 11, 1970  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesmen

| Quantity  | Prod. No. | DESCRIPTION        | Price   | Total    |
|---|-----------|--------------------|---------|----------|
| 2 x 100 oz.   |           | Quinine Hcl Powder | 1.60oz. | \$320.00 |
| <p>It is hereby agreed by Dr. Hakeem Sham Su Deen that the Quinine Hcl Powder is to be used only in the preparation of prayer candles by the House of Candlelight and not for medicinal purposes.</p> |           |                    |         |          |
| <p>All claims must be made within 6 days of receipt of shipment.</p>  |           |                    |         |          |

## EXHIBIT No. 7—Continued

Saratoga 7-4679 - 4680  
AREA CODE 301

Invoice Number

**REYMAN DRUG COMPANY, INC.**

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen  
c/o House of Candlelight  
1207-7th St., NW  
Washington, D.C.

Terms:

Invoice  
Date June 1, 1970  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

| Order Complete <input type="checkbox"/>   |           | Balance to follow <input type="checkbox"/> |          | Salesman |  |
|---|-----------|--|----------|----------|--|
| Quantity  | Prod. No. | DESCRIPTION                                | Price    | Total    |  |
| 2 x 100 oz.   |           | Qquinine HCL Powder                        | 1.60 oz. | \$320.00 |  |
| <p>It is hereby agreed by Dr. Hakeem Sham Su Deen that the Quinine HCL Powder is to be used only in the preparation of prayer candles by the House of Candlelight and not for medicinal purposes.</p> <p><i>(pried up by Hakeem)</i></p> <p>All claims must be made within 8 days of receipt of shipment.</p> |           |  |          |          |  |

## EXHIBIT No. 7—Continued

SARATOGA 7-4679 - 4680  
AREA CODE 301

Invoice Number

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen (Mr. Odell Gayman)c/o House of Candlelight1207-7th St., NWWashington, D.C.

Terms:

Invoice

Date July 3, 1970

Customer's

Number \_\_\_\_\_

Shipped \_\_\_\_\_

Via \_\_\_\_\_

Customer's

Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesman \_\_\_\_\_

| Quantity  | Prod. No. | DESCRIPTION        | Price     | Total    |
|---|-----------|--------------------|-----------|----------|
| 2 $\frac{1}{2}$ 100 oz.   |           | Quinine Hcl Powder | \$1.60oz. | \$320.00 |
| <p>It is hereby agreed by Dr. Hakeem Sham Su Deen that the Quinine Hcl Powder is to be used only in the preparation of prayer candles by the House of Candlelight and not for medicinal purposes.</p> |           |                    |           |          |
| <p>All claims must be made within 6 days of receipt of shipment.</p>  |           |                    |           |          |

## EXHIBIT No. 7—Continued

(Front)

SARNOGA 7-4679 - 4680  
AREA CODE 301

Invoice Number

Baltimore Vitamin Sales, Div.,

**REYMAN DRUG COMPANY, INC.**

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen918 "O" Street, N.W.Washington, D.C.

Terms:

Invoice

Date 1/5/70

Customer's

Number \_\_\_\_\_

Shipped

Via \_\_\_\_\_

Customer's

Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesman

| Quantity   | Prod. No.                              | DESCRIPTION  | Price      | Total                                |
|--|--|--|------------|--------------------------------------|
| 2 x 100M   |  | Empty Gelatin Capsules <i>PINK &amp; CLEAR</i><br><i>(C) (C)</i> | \$235.00/M | <del>\$470.00</del><br><i>420.00</i> |
| (Back)   |  |  |            |                                      |
| <u>CONTRACT OF AGREEMENT</u>   |  |  |            |                                      |
| IT IS HEREBY AGREED THAT THE SELLER BALTIMORE VITAMIN SALES,<br>AND THE BUYER, DR. HAKEEM SHAM SU DEEN, 918 "O" St., N.W.<br>WASHINGTON, D.C. HAVE ENTERED INTO AN AGREEMENT IN WHICH THE<br>BUYER RECEIVED FROM SELLER HARD GELATIN CAPSULES TO BE USED <u>ONLY</u><br>FOR MAKING DECORATIVE CHARMS AND BEADS, AND <u>NOT</u> TO BE USED IN ANY<br>WAY, SHAPE OR FORM FOR MEDICINAL OR PHARMACEUTICAL USE. THIS<br>CONTRACT IS BINDING. |  |  |            |                                      |
| SIGNED   | <i>[Signature]</i><br>_____<br>(Buyer) |  |            |                                      |
|  | _____<br>(Seller)                      |  |            |                                      |
|  | _____<br>(Date)                        |  |            |                                      |



## EXHIBIT No. 7—Continued

(Front)

SARatoga 7-4679 - 4680  
AREA CODE 301

Baltimore Vitamin Sales

Invoice Number

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham SuDesu  
Dodge House  
Washington, D.C.Invoice  
Date 2/20/70  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

Terms:

Order Complete ☐Balance to follow ☐

Salesman

| Quantity  | Prod. No. | DESCRIPTION                 | Price    | Total    |
|---|-----------|-----------------------------|----------|----------|
| 200M  |           | Empty Gelatin Capsules Pink | \$2.35/M | \$470.00 |
|   |           | (Back)                      |          |          |
| <p style="text-align: center;">CONTRACT OF AGREEMENT</p> <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Dr. Hakeem Sham Su Desu, Dodge Hotel, Washington, D.C. have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.</p> <p>Signed: _____ (Buyer)</p> <p>_____ (Seller)</p> <p style="text-align: center;">All claims must be made within 6 days of receipt of shipment.</p> |           |                             |          |          |

## EXHIBIT No. 7—Continued

Saratoga 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

BALTIMORE VITAMIN SALES  
**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202SOLD TO Dr. Hakeem Sham Su DeenDodge HotelWashington, D.C.

Terms:

Invoice

Date 2/13/70

Customer's

Number \_\_\_\_\_

Shipped

Via \_\_\_\_\_

Customer's

Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesmen

Quantity

Prod. No.

DESCRIPTION

Price

Total

3 x 100M

#5 Hard Gelatin Capsules PINK

\$233.00/M

\$705.00

235.00

(Back)

470.00

407.00

## CONTRACT OF AGREEMENT

Balance 63.00

It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Dr. Hakeem Sham Su Deen, Dodge House, Washington, D.C. have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.

Signed: \_\_\_\_\_

(Buyer)

(Seller)

Date: \_\_\_\_\_

Balance Due 2800  
Balance 63.00  
Total 2863  
KY Jilly  
88  
407  
407  
710

## EXHIBIT No. 7—Continued

(Front)

SA 7-4679 - 4680  
AREA CODE 301

Invoice Number

BALTIMORE VITAMIN SALES, DIV.,  
**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET BALTIMORE, MD. 21202SOLD TO DR. Hakeem-Sham-Su-Deen  
918 "O" Street, Washington, D.C.Invoice  
Date December 23rd 1969  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

Terms:

| Order Complete <input type="checkbox"/>   |           | Balance to follow <input type="checkbox"/> |                 | Salesman |  |
|---|-----------|--|-----------------|----------|--|
| Quantity  | Prod. No. | DESCRIPTION                                | Price           | Total    |  |
| 100M  |           | Empty Pink Capsules                        | \$235.00        |          |  |
|   |           | Balance                                    | \$ 250.00       |          |  |
|   |           | (Back)                                     |                 |          |  |
|   |           | CONTRACT OF AGREEMENT                      |                 |          |  |
| <p>IT IS HEREBY AGREED THAT THE SELLER BALTIMORE VITAMIN SALES, &amp; THE BUYER, DR. HAKEEM-SHAM-SU-DEEN, 918 "O" Street, WASHINGTON, D.C. HAVE ENTERED INTO AN AGREEMENT IN WHICH THE BUYER RECEIVED FROM SELLER HARD GELATIN CAPSULES TO BE USED ONLY FOR MAKING DECORATIVE CHARMS AND BEADS, AND NOT TO BE USED IN ANY WAY, SHAPE OR FORM FOR MEDICINAL OR PHARMACEUTICAL USE. THIS CONTRACT IS BINDING.</p> |           |  | <p>12/23/69</p> |          |  |
| <p>SIGNED <u>[Signature]</u> (BUYER)</p>  |           |  | <p>(DATE)</p>   |          |  |

\$485.00  
430.00

55.00  
15.00

50.00

## EXHIBIT No. 7—Continued

SALELOG 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

BALTIMORE VITAMIN SALES

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Sud Deen918 "O" St., N.W.Washington, D.C.

Terms:

Invoice

Date 12/18/69

Customer's

Number \_\_\_\_\_

Shipped

Via \_\_\_\_\_

Customer's

Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesman

| Quantity  | Prod. No. | DESCRIPTION                        | Price      | Total    |
|-----------|-----------|------------------------------------|------------|----------|
| 3 x 100 M |           | Empty Hard Gelatin Capsules (PINK) | \$235.00/M | \$705.00 |

(Back)

## Contract of Agreement

It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Dr. Hakeem Sham Sud Deen, 918 "O" St., N.W., Washington, D.C. have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used only for making decorative charms and beads, and are NOT to be used in any way, shape or form for medicinal or pharmaceutical use. ~~THE~~ THIS CONTRACT IS BINDING.

[Signature] (Buyer)

[Signature] (Seller)

+

Date:



## EXHIBIT No. 7—Continued

(Front)

Sarepta 7-4479-4480  
AREA CODE 301

Invoice Number

Baltimore Vitamin Sales

**REYMAN DRUG COMPANY, INC.**

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem918 "O" ST.

Terms:

Invoice

Date 11/28/69

Customer's

Number

Shipped

Via

Customer's

Narcotic No.

Order Complete ☐Balance to follow ☐

Salesman

Quantity

Prod. No.

DESCRIPTION

Price

Total

100M

Empty Capsules #5 Clear

\$235.00

(Back)

## Contract of Agreement

It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Dr. Hakeem, Washington, D.C., have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for ~~any~~ medicinal or pharmaceutical use. ~~This~~ This contract is binding.

Signed:

+ G. O. H. H. H.

Date:

## EXHIBIT No. 7—Continued

SA Artega 7-4679 - 4680  
AREA CODE 301

Invoice Number

**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Rev. Kenney  
1207 7th Street, N.W.  
Washington, D.C.

Invoice  
Date Nov. 4th '69  
Customer's  
Number \_\_\_\_\_  
Shipped \_\_\_\_\_  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

Terms:

| Order Complete <input type="checkbox"/>   | Balance to follow <input type="checkbox"/> | Salesman  |         |  |
|---|--|---|---------|--|
| Quantity  | Prod. No.                                  | DESCRIPTION   | Price   | Total                                    |
| 2 X 100 M   |  | Empty Gelatin capsules <i>clean #5</i><br>CONTRACT OF AGREEMENT | 02.35/M | 235.00<br><i>235.00</i><br><i>470.00</i> |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Reverend Kenney, 1207 - 7th Street, N.W., Washington, D.C., have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used only for making decorative charms and beads, and are NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.</p> <p><i>Paid 235.00</i><br/><i>Balance 235.00</i></p> <p>Signed _____ (Buyer)</p> <p>DATE: _____</p> <p>Signed <i>John Kenney</i> (Seller)</p> <p><i>211</i></p> <p>DATE: _____</p> |  |   |         |  |

## EXHIBIT No. 7—Continued

Paragon 7-4679 - 4680  
AKKA CODE 301

(Front)

Invoice Number

BALTIMORE VITAMIN SALES, Division

REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen918 "O" St., N.W.Washington, D.C.

Terms:

Invoice

Date November 5, 1969

Customer's

Number

Shipped

Via

Customer's

Narcotic No.

Order Complete ☐Balance to follow ☐

Salesman

| Quantity   | Prod. No. | DESCRIPTION  | Price    | Total                                  |
|--|-----------|--|----------|--|
| 2x100M   |           | Empty Capsules #5 pink<br><i>paid on account</i><br>(Back) <i>RM</i> | \$2.35/M | 470.00<br><i>235 ~</i><br><i>235 ~</i> |
| CONTRACT OF AGREEMENT  |           |  |          |  |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Dr. Hakeem Sham Su Deen, 918 "O" St., N.W., Washington, D.C. have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used only for making decorative charms and beads, and are <u>NOT TO BE USED</u> in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.</p> <p><i>for Dr. Hakeem Sham Su Deen - P.W.M.</i><br/>Signed: _____ Buyer</p> <p>_____<br/>_____<br/>Signed: <i>Ming Deen</i> Seller</p> <p>_____<br/>_____</p> |           |  |          |  |

DATE 11/5/69

## EXHIBIT No. 7—Continued

(Front)

Saratoga 7-4679 - 4680  
AREA CODE 301

Invoice Number

BALTIMORE VITAMIN SALES

REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Rev. Kenney (Dr. Hakeem)  
1207- 7th St., N.W.  
Washington, D. C.

Invoice

Date 11/28/69

Customer's

Number \_\_\_\_\_

Shipped

Via \_\_\_\_\_

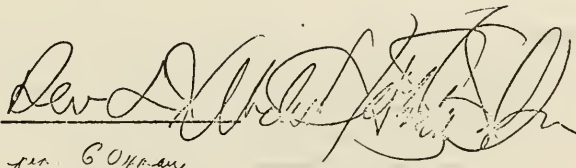
Customer's

Narcotic No. \_\_\_\_\_

Terms:

Order Complete ☐Balance to follow ☐

Salesman

| Quantity  | Prod. No.  | DESCRIPTION          | Price    | Total    |
|---|--|----------------------|----------|----------|
| 100M  |  | Empty Capsules Pink  | \$235.00 |          |
| 100M  |  | Empty Capsules Clear | 235.00   |          |
| (Back)  |  |                      |          | \$470.00 |
| Contract of Agreement   |  |                      |          |          |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Rev. Kenney, Washington, D.C. have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.</p> |  |                      |          |          |
| Signed:   | <br><u>per G. O. H. H. H.</u> |                      |          |          |

Date: 11/28/69.



## EXHIBIT No. 7—Continued

SALESLAG 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

Baltimore Vitamin Sales  
**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem  
1207-7th St., NW  
Washington, D.C.

Terms:

Invoice  
Date 11/21/69  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesman

| Quantity        | Prod. No. | DESCRIPTION         | Price             | Total             |
|-----------------|-----------|---------------------|-------------------|-------------------|
| 3 x 100M        |           | Empty Capsules Pink | 235.00            | 705.00            |
| <del>XXXX</del> |           |                     | <del>235.00</del> | <del>705.00</del> |
|                 |           | (Back)              |                   | <del>705.00</del> |

## Contract of Agreement

It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Dr. Hakeem, Washington, D.C., have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT No. 7—Continued

(Front)

SA 7-4679-4680  
AREA CODE 301

Invoice Number

Baltimore Vitamin Sales, Div.

**REYMAN DRUG COMPANY, INC.**

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Rev. Kenney1207 - 7th Street, N.W.Washington, D.C.

Terms:

Invoice

Date 11/22/69Customer's  
NumberShipped  
Via

Customer's

Narcotic No.

Order Complete ☐Balance to follow ☐

Salesman

| Quantity | Prod. No. | DESCRIPTION | Price | Total |
|----------|-----------|-------------|-------|-------|
|----------|-----------|-------------|-------|-------|

100 M

#5 Hard Gelatin capsules clear

22.35/M

235.00

(Back)

**Contract of Agreement**

It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Reverend Kenney, 1207 - 7th Street, N.W. Washington, D.C. have into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.

Signed

(Buyer)

## EXHIBIT No. 7—Continued

SA 7-4679 - 4680  
AREA CODE 301

Invoice Number

Baltimore Vitamin Sales

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Kinney1207- 7th St. S WWashington, D. C.

Terms:

Invoice  
Date 11/3/69Customer's  
Number \_\_\_\_\_Shipped  
Via \_\_\_\_\_Customer's  
Narcotic No. \_\_\_\_\_Order Complete ☐Balance to follow ☐

Salesmen

| Quantity   | Prod. No. | DESCRIPTION           | Price | Total    |
|--|-----------|-----------------------|-------|----------|
| 100,000  |           | Empty Capsules Red #5 |       | \$265.00 |
|  |           | on Deposit            |       | 100.00   |
|  |           | Balance               |       | \$165.00 |
| <p style="text-align: center;">All claims must be made within 5 days of receipt of shipment.</p> |           |                       |       |          |

## EXHIBIT No. 7—Continued

SAratoga 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

BALTIMORE VITAMIN SALES, Div.  
**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202SOLD TO Dr. Hakeem Sham Sud Deen918 "O" StreetWashington, D.C.

202-483-9195

Terms:

Invoice Date October 29th '69Customer's  
Number \_\_\_\_\_Shipped  
Via \_\_\_\_\_Customer's  
Narcotic No. \_\_\_\_\_Order Complete ☐Balance to follow ☐

Salesman

| Quantity | Prod. No. | DESCRIPTION             | Price    | Total          |
|----------|-----------|-------------------------|----------|----------------|
| 100 M    |           | Empty capsules #5 clear | \$2.35/M | 235.00         |
| 100      |           | Empty Capsules #5 red   | \$2.65/M | 265.00         |
| (Back)   |           |                         |          | Total \$500.00 |

## CONTRACT OF AGREEMENT

It is hereby agreed that the seller, Baltimore Vitamin Sale, and the Buyer, Dr. Hakeem, Sham Sud Deen, 918- "O" St, Washington, D.C., have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used only for making decorative charms and beads; and are NOT to be used in anyway, shape or form for medicinal or pharmaceutical use. This contract is binding.

Dr. Hakeem Sham Sud Deen  
Signed \_\_\_\_\_ Buyer

918 O Street N.W. Washington D.C.

Signed Miguel Orman Seller

817 E. Balto St.

Baltimore, Md.

Paid  
10/29/69.  
G.O.

DATE: 10/29/69



## EXHIBIT No. 7—Continued

SALESG 7-4479 - 4480  
AREA CODE 301

(Front)

Invoice Number

Baltimore Vitamin Sales, Div.

**REYMAN DRUG COMPANY, INC.**

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Rev. Kenney  
1207 - 7th Street, N.W.  
Washington, D.C.

Terms:

Invoice  
Date October 16th '69  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

| Order Complete <input type="checkbox"/> |           | Balance to follow <input type="checkbox"/> |         | Salesman |  |
|---|-----------|--|---------|----------|--|
| Quantity                                | Prod. No. | DESCRIPTION                                | Price   | Total    |  |
| / 1x1000                                |           | Empty Capsules #5 clear                    | 22.35/M | 235.00   |  |
|   |           | October 20th Balance                       |         | 18.25    |  |
|   |           |  | Total   | 253.25   |  |
|   |           |  |         | 400.00   |  |

*400.00*  
*235.00*  
*18.25*  
*353.25*

(Back)

CONTRACT OF AGREEMENT

It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Rev. Kenney, have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.

## EXHIBIT No. 7—Continued

SA Arataga 7-4679 - 4680  
AREA CODE 301

Invoice Number

Baltimore Vitamin Sales, Div.,  
**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Rev. Kenney1207 - 7th Street N.W./Washington, D.C.

Terms:

Invoice October 7th '69

Date

Customer's

Number

Shipped

Via

Customer's

Narcotic No.

|  |           |  |           |          |  |
|--|-----------|--|-----------|----------|--|
| Order Complete <input type="checkbox"/>  |           | Balance to follow <input type="checkbox"/> |           | Salesman |  |
| Quantity   | Prod. No. | DESCRIPTION                                | Price     | Total    |  |
| 2x 100M  |           | Empty Gelatin capsules # 5 pink            | 0235/100M | 470.00   |  |
| 1x 100M  |           | Empty Gelatin capsules #5 orange           | 0265/100M | 265.00   |  |
| 1x 100M  |           | Empty Gelatin capsules #5 clear            | 0235/100M | 235.00   |  |
|  |           |  | Total     | 970.00   |  |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Rev. Kenney, have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.</p> |           |  |           |          |  |
| <p>All claims must be made within 5 days of receipt of shipment.</p>   |           |  |           |          |  |

## EXHIBIT No. 7—Continued

SA Artega 7-4479 - 4480  
AREA CODE 301

Invoice Number

Baltimore Vitamin Sales  
**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO DR. REV. KENNEY  
1207 - 7th Street  
Washington, D.C.

Terms:

Invoice  
Date Sept. 24th '64  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

|  |           |  |  |          |        |
|--|-----------|--|--|----------|--------|
| Order Complete <input type="checkbox"/>  |           | Balance to follow <input type="checkbox"/> |  | Salesman |        |
| Quantity   | Prod. No. | DESCRIPTION                                |  | Price    | Total  |
| 1000   |           | #5 empty gelatin caps. 10's orange         |  | 2.65/l.  | 265.00 |
| 1000   |           | #5 empty gelatin capsules pink             |  | 2.35/M   | 235.00 |
|  |           |  |  | Total    | 500.00 |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Dr. Rev. Kenney, have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.</p> |           |  |  |          |        |
| <p>All claims must be made within 5 days of receipt of shipment.</p>   |           |  |  |          |        |

## EXHIBIT No. 7—Continued

SALESLAG 7-4679 - 4680  
AREA CODE 301

Invoice Number

Baltimore Vitamin Sales,  
**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Rev. Kenney  
1207 7th Street  
Washington, D.C.

Terms:

Invoice  
Date September 15th '69  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

|  |           |  |  |          |        |
|--|-----------|--|--|----------|--------|
| Order Complete <input type="checkbox"/>  |           | Balance to follow <input type="checkbox"/> |  | Salesman |        |
| Quantity   | Prod. No. | DESCRIPTION                                |  | Price    | Total  |
| 20QM   |           | Empty Gelatin capsules #5 pink             |  | 235.00   | 470.00 |
| 10QM   |           | Empty Gelatin capsules #4 pink             |  | 2.65/L   | 265.00 |
|  |           |  |  | Total    | 735.00 |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Rev. Kenney, have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.</p> <p><i>Paig 9/15/69</i></p> <p>All claims must be made within 5 days of receipt of shipment.</p> |           |  |  |          |        |



## EXHIBIT No. 7—Continued

SARATOGA 7-4679 - 4680  
AREA CODE 301

BALTIMORE VITAMIN SALES

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

Invoice Number

SOLD TO Rev. Kenney1203-7th St. NWWashington, D.C.

Terms:

Invoice

Date Sept. 11, 1969

Customer's

Number

Shipped

Via

Customer's

Narcotic No.

Order Complete ☐Balance to follow ☐

Salesmen

| Quantity  | Prod. No. | DESCRIPTION                    | Price  | Total  |
|---|-----------|--------------------------------|--------|--------|
| 100M  |           | empty Gelatin Capsules #5 Pink | \$2.35 | 235.   |
| 100M  |           | " " " #5 Clear                 | \$2.35 | 235.00 |
|   |           |                                |        | 470.00 |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Dr. Rev. Kenney, have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in anyway, shape or form for medicinal or pharmaceutical use. This contract is binding.</p> |           |                                |        |        |
| <p>All claims must be made within 6 days of receipt of shipment.</p>  |           |                                |        |        |

## EXHIBIT No. 7—Continued

(Front)

SARAGA 7-4679-4680

AREA CODE 301

Baltimore Vitamin Sales, Div.

Invoice Number

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

Rev. Kenney

SOLD TO

1207 - 7th Street, N.W.

Washington, D.C.

Invoice August 20, 1969

Date

Customer's

Number

Shipped

Via

Customer's

Narcotic No.

Terms:

| Order Complete <input type="checkbox"/>  |           | Balance to follow <input type="checkbox"/> |  | Salesmen |        |
|--|-----------|--|--|----------|--------|
| Quantity   | Prod. No. | DESCRIPTION                                |  | Price    | Total  |
| 100 M  |           | #5 Hard Gelatin capsules                   |  | \$2.35/M | 235.00 |
|  |           | (Back)                                     |  |          | 6 00   |
|  |           | Contract of Agreement                      |  |          | 3 75   |
| It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Reverend Kenney, 1207 - 7th Street, N.W. Washington, D.C. have into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used only for making decorative charms and bonds, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding. |           |  |  |          |        |
| Signed _____   |           | (Buyer)                                    |  | 376.47   | 244 75 |
|  |           |  |  | 125 72   | 244 75 |
|  |           |  |  | refunded | 9/1/69 |

## EXHIBIT No. 7—Continued

SARatoga 7-4679 - 4680  
AREA CODE 301

BALTIMORE VITAMIN SALES


Invoice Number

**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Rev. Kenney (Dr. Hakeem)  
1207-7th St., N.W.  
Washington, D.C.

Terms:

Invoice  
Date August 15, 1969  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

| Order Complete <input type="checkbox"/>  |           | Balance to follow <input type="checkbox"/> |         | Salesman |  |
|--|-----------|--|---------|----------|--|
| Quantity   | Prod. No. | DESCRIPTION                                | Price   | Total    |  |
| 100M   |           | Gelatin Capsules #5 Orange                 | 2.35/20 | 235.00   |  |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Dr. Rev. Kenney, have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.</p> <p style="text-align: center;"></p> <p style="text-align: center;">All claims must be made within 5 days of receipt of shipment.</p> |           |  |         |          |  |

Invoice Number

Nº 5732

Invoice  
Date 8/5/69  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

**Terms:**

51-994 O - 70 - 18



## EXHIBIT No. 7—Continued

SALESLAG 7-4679 - 4680  
AREA CODE 301

Invoice Number

BALTIMORE VITAMIN SALES, Division of  
**REYMAN DRUG COMPANY, INC.**  
817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Reverend Kenney (Dr. Hakeem)  
Washington Penecostal Church  
1203- 7th St., NW  
Washington, D. C.

Terms:

Invoice  
Date July 30, 1964  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesman

| Quantity  | Prod. No. | DESCRIPTION              | Price      | Total    |
|---|-----------|--------------------------|------------|----------|
| 2 x100M   |           | Gelatin Capsules #5 Pink | \$2.35 / 1 | \$470.00 |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the buyer, Dr. Rev. Kenney, have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.</p> <p>All claims must be made within 6 days of receipt of shipment.</p> |           |                          |            |          |

## EXHIBIT No. 7—Continued

SARatoga 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

BALTIMORE VITAMIN SALES  
DIVISION

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su DeenDodge HouseWashington, D.C.

Terms:

Invoice  
Date 2/27/70Customer's  
Number \_\_\_\_\_Shipped  
Via \_\_\_\_\_Customer's  
Narcotic No. \_\_\_\_\_Order Complete ☐Balance to follow ☐

Salesman

| Quantity | Prod. No. | DESCRIPTION | Price | Total |
|----------|-----------|-------------|-------|-------|
|----------|-----------|-------------|-------|-------|

2 x 100M

Empty Gelatin Capsules

\$2.35/M

\$470.00

(Back)

## CONTRACT OF AGREEMENT

It is hereby agreed that the seller, Baltimore Vitamin Sales,  
and the Buyer, Dr. Hakeem Sham Su Deen, Dodge Hotel, Washington, D.C.  
have entered into a contract of agreement in which the buyer received  
from the seller empty hard gelatin capsules to be used only for making  
decorative charms and beads, and NOT to be used in any way, shape or  
form for medicinal or pharmaceutical use. This contract is binding.

Signed

(Buyer)

(Seller)

## EXHIBIT No. 7—Continued

Saratoga 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

BALTIMORE VITAMIN SALES

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su DeenDodge House HotelWashington, D.C.

Terms:

Invoice

Date 3/4/70

Customer's

Number \_\_\_\_\_

Shipped

Via \_\_\_\_\_

Customer's

Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesman

| Quantity   | Prod. No. | DESCRIPTION                   | Price      | Total |
|--|-----------|-------------------------------|------------|-------|
| 300M   |           | Empty Gelatin Capsules- Clear | \$235.00/M | \$705 |
| <p style="text-align: center;"> <i>Balance Due 28.12</i><br/> <i>Feb 45.00</i><br/> <i>2.35</i> </p> <p style="text-align: center;">(Back)</p> <p style="text-align: center;">Contract of Agreement</p> <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer Dr. Hakeem Sham Su Deen, Dodge House Hotel, Washington D. have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.</p> |           |                               |            |       |

## EXHIBIT No. 7—Continued

SA Arataga 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

BALTIMORE VITAMIN SALES

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su DeenWashington D.C.

Invoice

Date 3/12/70

Customer's

Number \_\_\_\_\_

Shipped

Via \_\_\_\_\_

Customer's

Narcotic No. \_\_\_\_\_

Terms:

Order Complete ☐Balance to follow ☐

Salesman

| Quantity | Prod. No. | DESCRIPTION                  | Price        | Total         |
|----------|-----------|------------------------------|--------------|---------------|
| 2 x 100M |           | Empty Gelatin Capsules- PINK | \$235.00/ea. |               |
| 1 x 100M |           | Empty Gelatin Capsules Pink  |              | \$470.00      |
|          |           |                              |              | <u>235.00</u> |
|          |           |                              |              | \$705.00      |

(Back)

## CONTRACT OF AGREEMENT

It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Dr. Hakeem Sham Su Deen, Washington, D.C. have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.

Signed: \_\_\_\_\_

(Buyer)

March 12 - 1970 (Date)

(Seller)

March 12 1970 (Date)



## EXHIBIT No. 7—Continued

SARALOGA 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number \_\_\_\_\_

## BALTIMORE VITAMIN SALES

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham SuDeen

Invoice

Date 3/19/70

Customer's

Number \_\_\_\_\_

Shipped

Via \_\_\_\_\_

Customer's

Narcotic No. \_\_\_\_\_

Terms: \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesmen \_\_\_\_\_

| Quantity | Prod. No. | DESCRIPTION | Price | Total |
|----------|-----------|-------------|-------|-------|
|----------|-----------|-------------|-------|-------|

2 x 100M

Empty Hard Gelatin Capsules

\$2.35/c

\$470.00

(Back)

## CONTRACT OF AGREEMENT

It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Dr. Hakeem Sham Su Deen, Washington, D.C. have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsauls to be used only for making decorative charms andbeada, and are NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.

Signed \_\_\_\_\_ (Buyer)

Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
(Seller)

Date: \_\_\_\_\_

## EXHIBIT No. 7—Continued

SARatoga 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

BALTIMORE VITAMIN SALES

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakem Sham Su Deen  
2701-14th St NW  
Washington, D.C.

Invoice  
Date 4/11/70  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

Terms:

|   |  |          |
|---|--|----------|
| Order Complete <input type="checkbox"/> | Balance to follow <input type="checkbox"/> | Salesman |
|---|--|----------|

| Quantity | Prod. No. | DESCRIPTION                           | Price         | Total    |
|----------|-----------|---------------------------------------|---------------|----------|
| 2 x 100M |           | Empty Gelatin Capsules- Pink          | \$235.00/100M | \$470.00 |
| 1 x 100M |           | Empty Gelatin Capsules Pink<br>(Back) |               | 235.00   |
|          |           |                                       |               | \$705.00 |

## CONTRACT OF AGREEMENT

It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Dr. Hakem Sham Su Deen, Washington, D.C. have entered into a contract of agreement in which the buyer received from the seller empty hard gelatin capsules to be used only for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.

Signed

(Buyer)

(Date)

(Seller)

(Date)

2701-14th St NW NW 21202

483 9194 1483 9195

## EXHIBIT No. 7—Continued

SARATOGA 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

BALTIMORE VITAMIN SALES

REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen

221-14th St.  
N.W.

Washington, D.C.

Terms:

Invoice

Date APRIL 14, 1970

Customer's

Number

Shipped

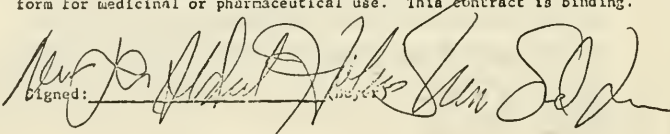
Via

Customer's

Narcotic No.

Order Complete ☐Balance to follow ☐

Salesman

| Quantity | Prod. No. | DESCRIPTION   | Price | Total    |
|----------|-----------|---|-------|----------|
| 100M     |           | Hard Gelatin Capsules<br><br>(Back)<br><br>CONTRACT OF AGREEMENT<br><br>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Dr. Hakeem Sham Su Deen, 14th St., N.W., Washington, D.C. have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used ONLY for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.<br><br><br>Signed: _____<br><br>_____<br><br>(Seller)<br><br>Date: _____ |       | \$235.00 |

## EXHIBIT No. 7—Continued

SARATOGA 7-4679 -#680  
AREA CODE 301

(Front)

Invoice Number

BALTIMORE VITAMIN SALES

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen, 1.2701 14th St. N.W.  
Washington D.C.Washington D.C.

Terms:

Invoice

Date April 27 1970

Customer's

Number \_\_\_\_\_

Shipped

Via \_\_\_\_\_

Customer's

Narcotic No. \_\_\_\_\_

Order Complete ☐Balance to follow ☐

Salesman

| Quantity   | Prod. No. | DESCRIPTION                             | Price         | Total    |
|--|-----------|---|---------------|----------|
| 2 x 100M   |           | Empty Hard Gelatin Capsules <i>PINK</i> | \$235.00/100M | \$470.00 |
|  |           | (Back)                                  |               |          |
| CONTRACT OF AGREEMENT  |           |   |               |          |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales and the Buyer, Dr. Hakeem Sham Su Deen, 16th St. N.W. Washington D.C. have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used ONLY for making decorative charms and beads, and NOT to be used in any way shape or form for medicinal or pharmaceutical use. This contract is binding.</p> |           |   |               |          |
| <p>Signed: <u><i>[Signature]</i></u> (Buyer)</p>   |           |   |               |          |
| <p>_____<br/>_____<br/>(Seller)</p>  |           |   |               |          |
| <p>Date: _____</p>   |           |   |               |          |
| <p><i>All claims must be made within 6 days of receipt of shipment.</i></p>  |           |   |               |          |



## EXHIBIT No. 7—Continued

SARATOGA 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen27th St. N.W.Washington, D.C.

Terms:

Invoice May 2, 1970

Date

Customer's

Number

Shipped

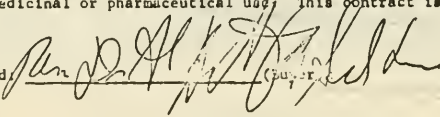
Via

Customer's

Narcotic No.

Order Complete ☐Balance to follow ☐

Salesman

| Quantity  | Prod. No.   | DESCRIPTION                             | Price         | Total    |
|---|---|---|---------------|----------|
| 2 x 100M  |   | Empty Hard Gelatin Capsules <i>PINK</i> | \$235.00/100M | \$470.00 |
| (Back)  |   |   |               |          |
| CONTRACT OF AGREEMENT   |   |   |               |          |
| It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Dr. Hakeem Sham Su Deen, 16th St., N.W. Washington, D.C. have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used ONLY for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding. |   |   |               |          |
| Signed  | <br>(Buyer)  |   |               |          |
|   | 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## EXHIBIT No. 7—Continued

SARALOGA 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem Sham Su Deen  
14th  
2701 X St., N.W.  
Washington, D.C.

Invoice <sup>14</sup> May 1970  
Date \_\_\_\_\_  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

Terms:

Order Complete ☐Balance to follow ☐

Salesman

| Quantity  | Prod. No. | DESCRIPTION                       | Price         | Total    |
|---|-----------|-----------------------------------|---------------|----------|
| 2 x 100M  |           | Empty Hard Gelatin Capsules CLEAR | \$235.00/100M | \$470.00 |
| (Back)  |           |                                   |               |          |
| CONTRACT OF AGREEMENT   |           |                                   |               |          |
| It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Dr. Hakeem Sham Su Deen, 16th St., N.W. Washington, D.C. have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used ONLY for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.   |           |                                   |               |          |
| Signed: <u>Dr. Hakeem Sham Su Deen</u> (Buyer)  |           |                                   |               |          |
| <u>  </u> |           |                                   |               |          |

## EXHIBIT No. 7—Continued

May 21, 1970

FOR: DR. HAKHEM SHAM SU DEEN

2701- 14th St.  
N.W.

Washington, D.C.

3 x 100M Empty Hard Gelatin Capsules

\$233 00/100M-\*

PINK

\$703.00

It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Dr. Hakem Sham Su Deen, 14th St., N.W., Washington, D.C. have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be ~~USED~~ ONLY for making decorative capsules and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. This contract is binding.

Signed: \_\_\_\_\_ (Buyer)

\_\_\_\_\_  
\_\_\_\_\_  
(Seller)

Date: \_\_\_\_\_





## EXHIBIT No. 7—Continued

SARatoga 7-4679 - 4680  
AREA CODE 301

Invoice Number

BALTIMORE VITAMIN SALES

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET - BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem (Mr. Gayman to pick up)  
2901-18th St., NW  
Washington, D.C.

Invoice

Date June 15, 1970

Customer's

Number

Shipped

Via

Customer's

Narcotic No.

Terms:

|   |           |  |  |            |          |
|---|-----------|--|--|------------|----------|
| Order Complete <input type="checkbox"/>   |           | Balance to follow <input type="checkbox"/> |  | Salesmen   |          |
| Quantity  | Prod. No. | DESCRIPTION                                |  | Price      | Total    |
| 2 x 100M  |           | Empty Hard Gelatin Capsules Clear          |  | \$235.007M | \$470.00 |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales, and the Buyer, Mr. Odell Gayman, Washington, D.C., have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used ONLY for making decorative charms and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. THIS CONTRACT IS BINDING.</p> |           |  |  |            |          |
| <p>All claims must be made within 5 days of receipt of shipment.</p>  |           |  |  |            |          |

## EXHIBIT No. 7—Continued

SALELOG 7-4679 - 4680  
AREA CODE 301

(Front)

Invoice Number

BALTIMORE VITAMIN SALES

## REYMAN DRUG COMPANY, INC.

817 E. BALTIMORE STREET BALTIMORE, MD. 21202

SOLD TO Dr. Hakeem (Mr. Gayman to pick up)  
2901-18th St , NW  
Washington, D.C.

Terms:

Invoice  
Date June 14, 1970  
Customer's  
Number \_\_\_\_\_  
Shipped  
Via \_\_\_\_\_  
Customer's  
Narcotic No. \_\_\_\_\_

| Order Complete <input type="checkbox"/>   |           | Balance to follow <input type="checkbox"/>                         |            | Salesman |  |
|---|-----------|--|------------|----------|--|
| Quantity  | Prod. No. | DESCRIPTION  | Price      | Total    |  |
| 3 x 100M  |           | Empty Hard Gelatin Capsules Pink<br><br><i>Picked up by Gayman</i> | \$235.00/M | \$705.00 |  |
| (Back)  |           |  |            |          |  |
| CONTRACT OF SALE ENCL   |           |  |            |          |  |
| <p>It is hereby agreed that the seller, Baltimore Vitamin Sales and<br/>dome Supply, Inc. 817 Gayman, 2901-18th St., NW, Washington, D.C.<br/>have on hand and a contract of sale made in which the buyer received<br/>from seller empty hard gelatin capsules to be used only for making,<br/>dissolving tablets and pills and not to be used in any way, shape or<br/>form for medicinal or pharmaceutical use. This contract is binding.</p> |           |  |            |          |  |
| Signed: _____ (Seller)  |           |  |            |          |  |
| _____<br>(Buyer)  |           |  |            |          |  |
| All claims must be made within 6 days of receipt of shipment.   |           |  |            |          |  |

## EXHIBIT No. 7—Continued

July 30, 1970

For: Mr. Odell Gayman  
2901- 18th St., NW  
Washington, D.C.

|   |                |
|---|----------------|
| 2 x 100,000 Clear Hard Empty Gelatin Capsules | 235.00- 470.00 |
| 1 x 100,000 Pink @ " " " "                    | 235.00 235.00  |

705.00

It is hereby agreed that the seller, Baltimore Vitamin Sales and the Buyer, Mr. Odell Gayman, Washington, D.C. have entered into a contract or agreement in which the Buyer received from seller empty hard gelatin capsules to be used ONLY for making decorative chains and beads, and NOT to be used in any way, shape or form for medicinal or pharmaceutical use. THIS CONTRACT IS BINDING.

Signed Odell Gayman (Buyer)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Seller)

## EXHIBIT No. 7—Continued

June 26, 1970

For: Mr. Odell Gayman  
2901-18th St., NW  
Washington D.C.

2 x 100M Empty Hard Gelatin Capsules <sup>135.00</sup>~~435.00~~/100M-  
PINK

<sup>470.00</sup>  
~~475.00~~

It is hereby agreed that the seller, Baltimore Vitamin Sales and the Buyer Mr. Gayman Washington D.C have entered into a contract of agreement in which the buyer received from seller empty hard gelatin capsules to be used ONLY for making decorative charms and beads and NOT to be used in any way shape or form for medicinal or pharmaceutical use. THIS CONTRACT IS BINDING.

Signed: Odell Gayman (BUYER)

\_\_\_\_\_

\_\_\_\_\_ (Seller)

\_\_\_\_\_



Mr. PERITO. Did you have discussions with him about——

Mr. OXMAN. Yes.

Mr. PERITO. And he agreed to the legend on the quinine contract?

Mr. OXMAN. Right.

Mr. PERITO. And you felt secure that this legend was sufficient to protect you.

Mr. OXMAN. That is right.

Mr. PERITO. And did you advise him that he should not use quinine for any purposes other than the one stated in your contracts?

Mr. OXMAN. No. I felt there would be no deviation from the contract.

Mr. PERITO. You felt you were——

Mr. OXMAN. I felt I was protected.

Mr. PERITO. Right; and he was a man of the cloth.

Mr. OXMAN. A man of the clergy, that is right.

Mr. PERITO. He was a man of the clergy so you felt secure. Did you ever ask him why he had a chauffeur?

Mr. OXMAN. No.

Mr. PERITO. I take it that you purchased all of the quinine from one distributor?

Mr. OXMAN. No; I did not.

Mr. PERITO. Oh, you bought it from several?

Mr. OXMAN. Several.

Mr. PERITO. Could you explain to the committee why you followed that procedure?

Mr. OXMAN. Well, first of all, I like to diversify my purchases and give opportunities to a lot of companies, even my drugs—diversify maybe to 50 or 60 different manufacturers. We do not buy from one company. We never did.

And secondly, sometimes a company did not have it. They were short of it. So, you had to buy from another company.

Mr. PERITO. So, you thought that this diversification was a fair way to share all of your quinine hydrochloride business?

Mr. OXMAN. I always did that, always.

Mr. PERITO. Did you ever discuss with any of the sellers of the quinine hydrochloride, the intended use by your purchaser, the Reverend Kenney?

Mr. OXMAN. No. They never questioned me. They never questioned me about it.

Mr. PERITO. Never. And it never occurred to you to mention this rather unique use to them?

Mr. OXMAN. No.

Mr. PERITO. Now, there came a time——

Mr. OXMAN. Also, I was also interested in the price of the quinine. Sometimes if you ask another company you can also get the prices, different price quotations, find the best prices.

Mr. PERITO. Did you ever have occasion to dicker about price?

Mr. OXMAN. Well, sometimes it will vary in prices, too.

Mr. PERITO. Now, did——

Mr. PEPPER. Mr. Oxman, just a while ago you testified about these two contracts. Why were you, in dealing with a man of the clergy——

Mr. OXMAN. Would I make a contract up?

Mr. PEPPER. Wait just a minute. You anticipated my question exactly right. When you were dealing with a man of the cloth, a member of the clergy, selling him something he said was going to be used for making these love beads, why did you feel it necessary to enter into a written contract with the word "NOT" all in capital letters?

Mr. OXMAN. For protection.

Mr. PEPPER. Not to use these capsules for pharmaceutical and medicinal reasons.

Mr. OXMAN. Because there is a possibility that any kind of capsules could be diverted into certain channels that could possibly be used for different purposes.

Mr. PEPPER. What channel were you afraid, for example, that these capsules might be diverted into?

Mr. OXMAN. I do not know, but I just was scared that it would go to certain channels that would be improper.

Mr. PEPPER. Did you doubt——

Mr. OXMAN. I do not doubt, no; but I wanted to protect myself.

Mr. PEPPER. You felt secure since you were dealing with members of the clergy——

Mr. OXMAN. I had no doubt that he was using it legitimately but at the same time, it would not hurt to protect my own interests.

Mr. PEPPER. Thank you.

Mr. WALDIE. May I interrupt?

Mr. PEPPER. Yes, Mr. Waldie.

Mr. WALDIE. Did you have that same contract on every invoice with every other customer?

Mr. OXMAN. Yes.

Mr. WALDIE. With every customer?

Mr. OXMAN. Not with this. I only sold to him.

Mr. WALDIE. Well, did you not sell other supplies that might have been diverted to other use to other customers?

Mr. OXMAN. No.

Mr. WALDIE. Did you ever sell any pharmaceutical supplies to anyone else?

Mr. OXMAN. Oh, yes. We have records of the capsules that I sold.

Mr. WALDIE. Well, was there any fear with those other customers that they might divert the capsules to some other use?

Mr. OXMAN. Well, that is a different——

Mr. ROSENBLATT. Pardon me, sir. I think that—I would just like to—I see that my client perhaps is in a bit of doubt as to what your question——

Mr. PERITO. Counsel——

Mr. ROSENBLATT. Do you mean to pharmacies or other doctors with a contract of this type?

Mr. PERITO. Counsel, I think the question posed by Congressman Waldie is perfectly clear and articulately stated.

Mr. ROSENBLATT. Sorry.

Mr. WALDIE. I am willing to straighten it out.

Mr. ROSENBLATT. Sorry, sir.

Mr. WALDIE. What I am really trying to find out with regard to the sales to the reverend is that there was no doubt in your mind

about his honesty. You wanted to protect yourself in the possible diversion of this project.

Mr. OXMAN. Right. Because he was not a drugstore. He was not a doctor, more of an institution.

Mr. WALDIE. Is this the first time that you ever sold to anyone other than a drugstore or a doctor?

Mr. OXMAN. No, we have a diversion of vitamins, we sell vitamins.

Mr. WALDIE. Do you ever require this sort of exculpatory language on other contracts of sale?

Mr. OXMAN. No, because I never sold that type of product, capsules.

Mr. WALDIE. Did you ever sell capsules to anyone other than a drugstore or doctor prior to this customer's coming on the scene?

Mr. OXMAN. No. Never. This is unique.

Mr. WALDIE. What could these capsules be diverted to? What wrongful purposes did you think he could have put them to?

Mr. OXMAN. I did not know.

Mr. WALDIE. Well then, did you ever speculate? There was obviously something that troubled you.

Mr. OXMAN. There was nothing that troubled me but I did not want them to use it for any type of medicinal purpose.

Mr. WALDIE. Why? Is that against the law?

Mr. OXMAN. Because it is against the law.

Mr. WALDIE. Is it against the law for them to have used these capsules for medicinal purposes?

Mr. OXMAN. That is correct.

Mr. WALDIE. What law would they have violated?

Mr. OXMAN. First of all, in order to manufacture medications you have to have certain equipment, certain chemists, assays, et cetera, and they do not have that equipment for that and have to have a license.

Mr. WALDIE. Would that cause you to have violated the law if he were to use these capsules for medicinal purposes?

Mr. OXMAN. Well, then they would breach the contract. They broke my contract.

Mr. WALDIE. I know, but——

Mr. OXMAN. But they vouched——

Mr. WALDIE. They may——

Mr. OXMAN (continuing). In the contract they could not use it for anything other than what was specified in the contracts.

Mr. WALDIE. Do you have any reason to believe that your contract may have been broken?

Mr. OXMAN. Well, when I sold them I believed it was not broken.

Mr. WALDIE. I know, but do you believe it was broken subsequently? Do you believe they only used these capsules to make love beads?

Mr. ROSENBLATT. With your indulgence, please.

Mr. OXMAN. Well, we had a discussion in the other room prior to this morning and I believe that it could be used for illegitimate purposes.

Mr. WALDIE. You think they may have broken——

Mr. OXMAN. They may have broken——

Mr. WALDIE (continuing). May have breached this contract?

Mr. OXMAN. That is right.

Mr. WALDIE. It would be a very serious offense.



Mr. OXMAN. That is right.

Mr. WALDIE. I have no further questions.

Mr. PERITO. Mr. Oxman, you were telling me how you happened to spread your business around to various companies insofar as your purchases of quinine hydrochloride were concerned. Did you advise the reverend of your intended purchases from several companies?

Mr. OXMAN. No.

Mr. PERITO. That was a decision that you made on your own. Now, I assume that you received checks for these transactions; is that right?

Mr. OXMAN. He gave his checks initially but the checks had a little difficulty.

Mr. PERITO. You mean they bounced?

Mr. OXMAN. They bounced.

Mr. PERITO. Did you ask him about——

Mr. OXMAN. My wife said in order to prevent this complication, to pay for it in cash.

Mr. PERITO. Is this the way you normally do business? Your regular customers usually pay for their purchases in cash?

Mr. OXMAN. No, mostly in checks. In cash also; both ways.

Mr. PERITO. Now, when he purchased a couple of hundred thousand gelatin capsules, how much money would this transaction entail?

Mr. OXMAN. It was \$235—\$235 for a hundred thousand.

Mr. PERITO. And he would bring over the \$500 or \$400 in cash.

Mr. OXMAN. Yes.

Mr. PERITO. Small bills?

Mr. OXMAN. No.

Mr. PERITO. Large bills?

Mr. OXMAN. Yes.

Mr. PEPPER. Did the reverend by chance tell you that the checks bounced because the contributions weren't coming in sufficiently from the congregation? [Laughter.]

Mr. OXMAN. Well, I really don't know.

Mr. PERITO. When the checks bounced, did you have occasion to check the Reverend Kenney's bank?

Mr. OXMAN. Yes, we did.

Mr. PERITO. I see.

Mr. OXMAN. We found out that he did, in fact, have a bank account.

Mr. PERITO. He did have a bank account.

Mr. OXMAN. Yes.

Mr. PERITO. So you were sure that, at the very least, he was writing checks on an existing bank.

Mr. OXMAN. That is right.

Mr. PERITO. And what did your inquiry at the bank tell you about his credit rating?

Mr. OXMAN. Well, my wife called the bank and said that his check has bounced and the clerk in the bank said redeposit the check, and some of the checks did go through once they were redeposited.

Apparently he had a little difficulty with his bookkeeping or something, his accounting.

Mr. PERITO. Is that what you were told at the bank?

Mr. OXMAN. His accounting.

Mr. PERITO. Is that what was said to you by the bank official with whom you spoke?



Mr. OXMAN. No. I assume it was that way. He wasn't balancing his deposits with his debits.

Mr. PERITO. So you made that assumption. He didn't tell you he was having problems, did he?

Mr. OXMAN. He didn't tell me but I assumed that.

Mr. PERITO. Now, there came a time, did there not, let me go back for one moment. You purchased your gelatin capsules from—

Mr. OXMAN. Elanco and Parke-Davis.

Mr. PERITO. From both those companies?

Mr. OXMAN. Yes.

Mr. PERITO. And did they ever discuss with you why you were making such large purchases?

Mr. OXMAN. No.

Mr. PERITO. They never asked you?

Mr. OXMAN. They never asked me.

Mr. PERITO. Did you try to spread that business around like you did in the case of your purchases of quinine hydrochloride?

Mr. OXMAN. Well, he said he wanted a deeper red for his charms, so Parke-Davis made a little deeper red, so I bought some from them; his arrangements of his charms and decorations.

Mr. PERITO. Were you aware of the fact that you were buying about 90 percent of all the capsules the distributors were shipping into the Baltimore area?

Mr. OXMAN. No; I was not. We have only three wholesalers like us in the whole area anyway.

Mr. PERITO. Now, there came a time that you discontinued—oh, by the way, is—he said that he was using these capsules and filling them with clay?

Mr. OXMAN. Right.

Mr. PERITO. Is clay water soluble, do you know, from your pharmaceutical experience?

Mr. OXMAN. I don't know. I don't think it is.

Mr. PERITO. What would quinine hydrochloride do to clay, do you know?

Mr. OXMAN. Well, he didn't use quinine in clay. So he used it in candles.

Mr. PERITO. So in the candles he had no clay. He was using some other byproduct to mix in the love beads?

Mr. OXMAN. That is right.

Mr. PERITO. Now, did there come a time when you discontinued supplying Reverend Kenney?

Mr. OXMAN. Right.

Mr. PERITO. And when was that, sir, to the best of your recollection?

Mr. OXMAN. I started reading the articles in the newspapers and it said that there was a possibility that quinine could be diverted for using for certain—a big article in the Sun paper, I believe it was.

Mr. PERITO. In Baltimore?

Mr. OXMAN. Yes.

Mr. PERITO. And you heard that it could be diverted into what?

Mr. OXMAN. Illegal channels.

Mr. PERITO. Did you confront the reverend and tell him about this possibility?

Mr. OXMAN. When I found that out I discussed it and he said, no, he is using it for legitimate purposes.

Mr. PERITO. Did you at that point go over and visit his candle-making plant?

Mr. OXMAN. I didn't visit his place.

Mr. PERITO. You didn't visit either one?

Mr. OXMAN. No, I did not visit him.

Mr. PERITO. He never told the number of employees he had in the candlemaking?

Mr. OXMAN. No, he said it was a large amount but he didn't specify exactly the number.

Mr. PERITO. And as his orders increased was your curiosity pricked at all about the nature of his operation?

Mr. OXMAN. No, I thought he had a successful enterprise. It was the church and it was doing a successful job.

Mr. PERITO. Now, there came a time when you discontinued supplying him with gelatin capsules.

Mr. OXMAN. That is right, voluntarily.

Mr. PERITO. You volunteered.

Mr. OXMAN. That is right.

Mr. PERITO. When was that, do you recall?

Mr. OXMAN. Well, I voluntarily shipped them back to the manufacturer.

Mr. PERITO. You shipped back 500,000.

Mr. OXMAN. That is right—voluntarily.

Mr. PERITO. That was some time after July of 1970.

Mr. OXMAN. That is right.

Mr. PERITO. That just happened to coincide with the time when Maryland passed the statute prohibiting possession of certain types of paraphernalia when it is found in relation to heroin cutting material.

Mr. OXMAN. That is right, with the possibilities it gets into illegal channels. I was aware there could be a possibility.

Mr. PERITO. And did you present this situation or such possibility to the reverend?

Mr. OXMAN. I told him that I wasn't going to sell him any more.

Mr. PERITO. And what did he say?

Mr. OXMAN. He didn't say anything.

Mr. PERITO. He gave up pretty easily?

Mr. OXMAN. No, he—he just said nothing.

Mr. PERITO. No response at all?

Mr. OXMAN. No.

Mr. PERITO. Had you found him tacit like that in the past?

Mr. OXMAN. Tacit—what do you mean by tacit?

Mr. PERITO. I mean had you found that there had been other times when you spoke to him and he didn't respond?

Mr. OXMAN. I don't understand the question.

Mr. PERITO. All right. I will drop it.

Now, you had occasion, did you not, to be served with a committee subpoena.

Mr. OXMAN. Yes.

Mr. PERITO. On October 2.

Mr. OXMAN. Right.

Mr. PERITO. And do you recall that at that time investigators from the House Select Committee on Crime asked you a few questions?

Mr. OXMAN. Yes, that is correct.

Mr. PERITO. Now, sir, do you recall being asked this question and giving this answer:

*Question. What amounts of No. 5 gelatin capsules were purchased during the year 1969 and 1970 up to August of 1970?*

Answer. I do not need empty capsules. Therefore, I purchase none. All the drugs I purchase are already in capsules. I buy this way in quantities and repackage them under my own label.

Mr. OXMAN. That is correct. I say that because what I referred to is did you sell any capsules for medicinal purposes. I misunderstood his questions. I thought he meant for medicinal purpose did I sell any.

Mr. PERITO. So you misunderstood the investigator's question?

Mr. OXMAN. That is right.

Mr. PERITO. You didn't give a false answer to that question?

Mr. OXMAN. That is the truth. I really didn't.

Mr. PERITO. It was the truth but there was a misunderstanding?

Mr. OXMAN. That is right.

Mr. PERITO. Next question: Do you recall being asked this question and giving this answer?

*Question. How much quinine sulphate or quinine hydrochloride?*

Answer. None.

Mr. OXMAN. I didn't have any. I misunderstood. I thought he meant how much did I sell in the last 3 or 4 months. We just had none.

Mr. PERITO. You misunderstood that question, also, sir?

Mr. OXMAN. Yes.

Mr. PERITO. Now, do you recall being asked this question and giving this answer:

*Question. What was your total purchase of empty No. 5 gelatin capsules for the calendar year 1969 and the first 8 months of 1970?*

Mr. OXMAN. I didn't know that because I was at home at the time.

Mr. PERITO. May I please read your complete answer, sir?

Mr. OXMAN. Yes.

Mr. PERITO. I realize you are anxious to give us a truthful response.

Answer. None.

Mr. PERITO. Do you recall being asked that question?

Mr. OXMAN. Yes.

Mr. PERITO. And giving that answer?

Mr. OXMAN. Referring to——

Mr. PERITO. Now, at the time you gave that answer, was it true?

Mr. OXMAN (continuing). The fact for medicinal purposes I meant to say.

Mr. PERITO. So you misunderstand that question also?

Mr. OXMAN. I misunderstood his question because I did give him every information he wanted but when he asked me, when he interrogated me it was not down at the place. It was at my home and I felt ill at ease discussing business negotiations in my home. Also it was on a holiday. I didn't think it was right on the holiday to discuss, you know, business.

Mr. PERITO. Do you want to volunteer anything else, sir?

Mr. OXMAN. No.

Mr. PERITO. Now, do you know where the Reverend Kenney is at the present time?



Mr. OXMAN. I do not.

Mr. PERITO. You never heard that he was——

Mr. OXMAN. No. This morning I——

Mr. ROSENBLATT. Excuse me. May I have a word with my client?  
(Witness confers with Mr. Rosenblatt.)

Mr. OXMAN (continuing). As I came into this hearing room in this other side room here I had a discussion with one of the investigators and he told me about Reverend Kenney and he asked me what his first name was and I didn't know his first name and he told me that he was involved in—what was he involved in?

Mr. PERITO. You have no personal knowledge of the reverend's involvement in any criminal activities?

Mr. OXMAN. No. He just told me in that room this morning when I was in there at 11 o'clock, 11:30.

Mr. PERITO. Would it be fair to say——

Mr. OXMAN. Got the gentleman's name?

Mr. PERITO (continuing). May I finish asking the question, sir?  
Mr. Oxman, would it be fair for us to conclude, based on your testimony, that you were duped?

Mr. OXMAN. Yes; I was misled.

Mr. PERITO. Mr. Chairman, I have no further questions.

Mr. WALDIE. Just one question, Mr. Oxman.

Mr. OXMAN. Yes, Mr. Waldie.

Mr. WALDIE. At any time did your suppliers question the amounts that you were ordering from them, either Parke-Davis or the subsidiary?

Mr. OXMAN. As far as I recall, I don't remember them questioning.

Mr. WALDIE. At no time?

Mr. OXMAN. I don't recall it.

Mr. WALDIE. Have they questioned it up to this very moment?

Mr. OXMAN. No. I have no recollection.

Mr. WALDIE. All right. No further questions.

Mr. STEIGER. Mr. Chairman.

Mr. PEPPER. Yes, Mr. Steiger.

Mr. STEIGER. Mr. Oxman——

Mr. OXMAN. Yes, Mr. Steiger.

Mr. STEIGER (continuing). Have you got any children?

Mr. OXMAN. Yes, Mr. Steiger.

Mr. STEIGER. How old are your children?

Mr. OXMAN. Sixteen, 12, and 8.

Mr. STEIGER. Did you ever hear your children talk about narcotics in the school?

Mr. OXMAN. Never, never.

Mr. STEIGER. Never discuss it. You aren't aware that there is a marihuana problem, narcotics problem in the schools in Baltimore?

Mr. ROSENBLATT. May I——

Mr. STEIGER. He can answer yes or no. That is, he is aware of it or he isn't.

Mr. OXMAN. My children don't go to public school.

Mr. STEIGER. And whatever private school they go to——

Mr. OXMAN. There is no problem in the school they go to.

Mr. STEIGER. No problem?

Mr. OXMAN. None whatsoever.

Mr. STEIGER. I see.



Mr. Oxman, are you licensed by the State of Maryland——

Mr. OXMAN. Yes.

Mr. STEIGER (continuing). To practice pharmacy?

Mr. OXMAN. Yes.

Mr. STEIGER. Do you feel that you were protecting your license by devising this Mickey Mouse contract that you devised?

Mr. ROSENBLATT. I would respectfully object.

Mr. STEIGER. You can object all you want to. He can answer the question.

Mr. PERITO. Counsel, your function is very limited under our rules of procedure, and I would kindly——

Mr. ROSENBLATT. I just——

Mr. OXMAN. I felt I was dealing with the clergy and was dealing with a man of honesty, I felt.

Mr. STEIGER. Did you feel that the contract protected you?

Mr. OXMAN. I felt that what I was doing——

Mr. STEIGER. Just answer yes or no, please.

Mr. OXMAN. Yes.

Mr. STEIGER. All right. Did you feel that the contract removed any moral obligation you might have?

Mr. OXMAN. Yes.

Mr. STEIGER. That is wonderful. How much money did you make on this deal?

Mr. OXMAN. I didn't calculate it but——

Mr. STEIGER. About how much money?

Mr. OXMAN. It wasn't exorbitant. I didn't charge exorbitant prices.

Mr. STEIGER. About how much money did you make? You sold the capsules for \$235 a hundred thousand. How much did they cost you?

Mr. OXMAN. \$135.

Mr. STEIGER. So you made \$100 on 100,000 and you sold 8 million of them.

Mr. OXMAN. Over a period of 12 months.

Mr. STEIGER. I don't believe you there either. How much was he kicking back to you in addition to what you reported on the sales?

Mr. OXMAN. There was no kickback whatsoever.

Mr. STEIGER. No kickback?

Mr. OXMAN. It was an honest transaction.

Mr. STEIGER. It was an honest transaction?

Mr. OXMAN. Yes.

Mr. STEIGER. You expect us to sit here and believe that you believed that this man was making beads and love charms out of 8 million No. 5 capsules, that you as a pharmacist had no knowledge of a narcotics trade, that you as a pharmacist didn't know what he was using the quinine for?

You know, I will tell you something, Mr. Oxman.

Mr. OXMAN. Yes, Mr. Steiger.

Mr. STEIGER. You may walk out of here a free man and you may even be allowed to practice pharmacy in Maryland. I would be very surprised if you were. But I will tell you something. If you and the wife that you depend on so heavily for advice apparently, according to your testimony, if you can look each other in the eye and look at your children, I would be very, very surprised because it is people like you

who claim to be legitimate businessmen who surely are guilty, in my personal view, of a far greater crime than the guy in the street who is pushing the stuff.

Now, let's back off a minute. A man comes into your store that you have never seen and he hustles you for some capsules and you are in the pharmacy business and you say what you are going to use these for? I can't sell them to you for the narcotics traffic and he says, no, I am going to make these charms. And you say will you sign a paper? And he says yes, and then you say how much—well, I have got to have a better markup than this. I want a kickback.

How much kickback did you get, Mr. Oxman?

Mr. OXMAN. I don't understand why you even say that to me, why I got a kickback.

Mr. STEIGER. You don't understand?

Mr. OXMAN. I don't understand where you question me about that.

Mr. STEIGER. You didn't realize you were engaged——

Mr. OXMAN. I didn't get any kickback at any time.

Mr. STEIGER. Then you are not nearly as bright as you appear.

Mr. OXMAN. Never got a kickback.

Mr. STEIGER. Did you realize you were the prime source apparently——

Mr. OXMAN. Never.

Mr. STEIGER (continuing). Of enough street heroin for—I don't know, at least 20 kilos of pure stuff?

Mr. OXMAN. I don't know——

Mr. ROSENBLATT. I object.

Mr. STEIGER. You can object all you like. I am just asking did he understand or not.

Mr. OXMAN. I sold these capsules not for the purpose of what you specified in your statement. I sold them for a different purpose.

Mr. STEIGER. You can't possibly expect that we believe this. I know that you don't believe this. You mean to tell me when the man bought the quinine it was to burn in the candles?

Mr. OXMAN. That is right. I had confidence in his statements, that what he told me was the truth.

Mr. STEIGER. Mr. Oxman, these aren't children you are talking to now. You can recite this for the record as you want. I am asking you to examine yourself. You may have played a major role in the narcotics traffic in the city of Baltimore and you can't conceal behind this Micky Mouse contract which you obviously drew because you were afraid of being identified with the narcotics traffic.

Well, that day has come to pass. You are identified with the narcotics traffic. So far as I am concerned your future in the drug business ought to be nonexistent. And if the State of Maryland permits you to function in the drug business, the State of Maryland is doing a great disservice to all the young people in Maryland, particularly in Baltimore.

I have no further questions, Mr. Chairman.

Mr. PEPPER. We probably will have to go over and vote again.

Mr. Oxman, my colleague has already brought out how you carefully entered into this contract. Now, can you make—exercise comparable care in checking up on this?

Mr. OXMAN. Did I check up?

Mr. PEPPER. Did you check up on his record?

Mr. OXMAN. Well, he came into my place and showed me his pictures of his congregation, how he preached.

Mr. PEPPER. Excuse me. I didn't ask you that.

Mr. OXMAN. How would I check his record?

Mr. PEPPER. What did you do to check up on his record to see that he was a law-abiding man or that he was a minister?

Mr. OXMAN. I assumed he was law-abiding according to the inserts in public newspapers.

Mr. PEPPER. I ask you what did you do, if anything, to check up on what sort of a reputation, what sort of a record he had?

Mr. OXMAN. I never knew that you had to check up on a clergymen's record.

Mr. PEPPER. Did you know he is in Lorton prison now?

Mr. OXMAN. No, I don't.

Mr. PEPPER. Do you know he has had on the record 25 arrests?

Mr. OXMAN. No; I did not.

Mr. PEPPER. You didn't make any very diligent efforts.

Mr. STEIGER. Will the chairman yield at that point?

You also knew that the quinine was a drug that was examined by the Federal authorities and that is why you bought it in units that wouldn't be suspect, even though you were going to sell more quinine than any single druggist probably in the United States. You knew that much, didn't you? You knew enough to check on that.

Mr. OXMAN. I don't understand that.

Mr. STEIGER. You really don't understand that, Mr. Oxman? Look me in the eye, Mr. Oxman. You really don't understand that question?

Mr. OXMAN. Would you repeat—

Mr. STEIGER. I will be happy to repeat the question.

Mr. WALDIE. Mr. Chairman.

Mr. PEPPER. Mr. Waldie.

Mr. WALDIE. Mr. Oxman, I do not happen to hold any brief for much of what you have said here today but neither do I believe that you should be subjected to harassment or to the type of questioning and accusations which you have been subjected to, and although I don't find much credibility in your testimony, I want to tell you as one member of the committee neither do I support the type of ordeal that you have just been subjected to, and I don't think it is becoming to the dignity of this committee.

Mr. PEPPER. Any other questions? That is all, Mr. Oxman. Thank you.

Mr. OXMAN. Thank you very much.

Mr. PEPPER. We will have to take a temporary recess again to go over to vote. We will return in just a few minutes. I am sorry for the delay.

(A brief recess was taken.)

Mr. PEPPER. The committee will come to order, please.

We would like now to call, as our next two witnesses, Dr. Chauncey I. Cooper and Mr. R. H. Tarrer, if you gentlemen will be kind enough to come and take seats here.

We have asked these two gentlemen to participate in these hearings because of the very important positions they hold and the significant contributions they make to the responsible practice of pharmacy in the District of Columbia.



For nearly 30 years, Dr. Cooper has been dean of the Howard University School of Pharmacy, the only such school in the District. In addition to that heavy responsibility, he is president of the District of Columbia Pharmaceutical Association, the local subsidiary of the American Pharmaceutical Association. He received his bachelor and professional degrees from the University of Minnesota.

Mr. Tarrer, a graduate of Howard University, is one of five members of the District of Columbia Board of Pharmacy, an arm of the District government created by an act of Congress in 1906, designed to regulate the practice of pharmacy in the District. He has been a member of the board for 8 years and secretary for some 4 years, a post to which he is elected by the other members of the board. All board members are appointed by the Commissioner of the District.

We would be hard pressed to find two men more eminently qualified to come before this committee and represent the views of that vast majority of responsible, ethical pharmacists and drugstore proprietors who could conceivably be affected by the kind of law we have been talking about these past 2 days. I think it is extremely important that the point of view they represent be a part of the record of this inquiry.

So, gentlemen, we are pleased to have you here. Mr. Perito, our chief counsel, will make a few inquiries.

**STATEMENT OF DR. CHAUNCEY I. COOPER, DEAN, SCHOOL OF PHARMACY, HOWARD UNIVERSITY; AND R. H. TARRER, JR., MEMBER, DISTRICT OF COLUMBIA BOARD OF PHARMACY**

Mr. PERITO. Dr. Cooper, have you had an opportunity to discuss, with our staff investigators and with pharmacists and other members of your profession the need for legislation regulating the sale, manufacture, and distribution of narcotics paraphernalia?

Dr. COOPER. Yes, I have. I have talked with people in the retail business here in Washington. Our concern with this whole matter of the practice of pharmacy in the District of Columbia goes back several years. There have been several attempts made to improve or introduce a new law in the District of Columbia. As you probably know, we are operating here under a law that was enacted in 1906 and several attempts have been made to update that legislation but each time it has died in committee.

If we had modern legislation, many of the problems that are being discussed today could probably be controlled at the local level by the board.

As you also probably know, the board of pharmacy in the District of Columbia is almost without power.

Mr. WIGGINS. May I interrupt for a moment?

Mr. PERITO. Certainly.

Mr. WIGGINS. Dr. Cooper, I don't know and you will have to explain to me why are you without power?

Dr. COOPER. Mr. Tarrer perhaps can answer that question.

Mr. TARRER. Power is vested in the police department and anything that is done has to be done through the police department. After that—

Mr. PEPPER. Will you speak a little louder, please?



Mr. TARRER. The power is vested in the police department. After any inquiry or arrest or whatever is made and conviction has been handled, then it would be referred to the board.

Mr. WIGGINS. Well, sir, you do have investigative power independent of the police department, do you not?

Mr. TARRER. No. The police department does the investigating.

Mr. WIGGINS. Well, then, to be more specific, is it a fact, then, that the board may not investigate alleged misconduct of a pharmacist?

Mr. TARRER. I wouldn't say they couldn't. But——

Mr. WIGGINS. Well, have you ever done so?

Mr. TARRER. I don't see where it would hold water.

Mr. WIGGINS. I would think, and again I offer this as a good faith suggestion, you might inquire of Corporation Counsel or whomever you seek your legal advice from as to whether or not you have a general investigative power under your supervisory authority over pharmacists in the District and if it develops that you do, I urge you to consider using it from time to time.

Mr. TARRER. Now, the board is under the Department of Economic Development. Under this department there is an investigative unit which the board uses, but the board cannot do more than reprimand unless there is a criminal charge and a conviction.

Mr. WIGGINS. In the last year have you conducted any investigations——

Mr. TARRER. Yes.

Mr. WIGGINS (continuing). Of alleged misconduct?

Mr. TARRER. Yes. These are complaints from citizens.

Mr. WIGGINS. Counsel—Mr. Perito—please interrupt me if I am getting into an area that you are going to ask questions about later on, but I am concerned about the nature of your authority over pharmacists in the District. You do have the authority to license them, is that so?

Mr. TARRER. That is right.

Mr. WIGGINS. Do you conduct some investigation before you grant a license?

Mr. TARRER. Yes.

Mr. WIGGINS. What is the nature of that investigation?

Mr. TARRER. The investigative department makes a—gives them a clearance.

Mr. WIGGINS. What kind of a clearance?

Mr. TARRER. That I can't say because they don't—they inspect the premises, the proper equipment, and—to determine the individual has a license.

Mr. WIGGINS. Would it be possible for a person who has a criminal record, for example, to get a license?

Mr. TARRER. I can't answer that properly. I don't know. I don't think so, but I am not certain.

Mr. WIGGINS. I see. If a person has a record of failing to comply with applicable Federal statutes dealing with the handling of narcotics, would that be grounds for not granting him a new license?

Mr. TARRER. Yes. But it has to be done through due process. He has the right of appeal according to the law.

Mr. WIGGINS. Of course. As in the case of so many functions of government, it is like a muscle that goes into atrophy if it is not used; and I would suggest that the muscle that is vested in your board to

supervise pharmacists will also wither and die unless it is used. I would urge you to use it vigorously for the benefit, for the protection of the profession and the public.

Mr. TARRER. Thank you.

Mr. PEPPER. Excuse me just a minute. Gentlemen, from your knowledge of the subject, was there anything like the prevalence of narcotics and dangerous drugs in 1906 as there is today?

Dr. COOPER. In 1960?

Mr. PEPPER. In 1906, when these rules you are talking about were drawn up.

Dr. COOPER. That is the year I was born.

Mr. PEPPER. From your knowledge generally.

Dr. COOPER. According to some of the knowledge that I have gained over the years, that was before the enactment of the Harrison Narcotic Act, I would say yes. There was free exchange in drugs but I never heard it referred to as being abused to the extent that it is today. People on farms, for example, had large stocks of tincture of opium and other opium products but they were not abused to the extent that they are abused today. And yet they were freely available.

Mr. PEPPER. Thank you.

Mr. PERITO. Dr. Cooper, at the present time do you have any courses at Howard University School of Pharmacy in which students are advised as to the possible uses or abuses of substances like quinine hydrochloride, quinine sulphate, and gelatin capsules? Do you also offer a course in ethical pharmacy?

Dr. COOPER. To answer your question, we start off with the freshman student in a general orientation concerning the profession where the student is lectured on the matter of ethical conduct and good living and developing of certain professional standards.

As we progress with that and we come into the use, in dispensing these materials, and lecturing on them, we bring in the various State and Federal laws that apply to their uses. That begins in the first year and continues through until the fifth year.

Then in the fifth year just before graduation they have extensive training insofar as the law is concerned. They have courses in pharmacology where they are taught the pharmacological action of these drugs on the human body. The matter of abuse is discussed.

This past year we had a group for our students, for example, working on a pilot drug abuse program and I am happy to say that this year there will be a program funded by the university to the extent I believe of several thousand dollars which will not only involve a drug abuse program directed at the students within the university but also in the community.

Mr. PERITO. As dean of the the Howard University School of Pharmacy, and in your capacity as the president of the District Pharmaceutical Association, has it come to your attention recently that large quantities of narcotics paraphernalia are being dispensed through certain retail drugstores in the Greater Washington area?

Dr. COOPER. Only what I read in the newspapers.

Mr. PERITO. Now, based upon what you now know about the possible uses for gelatin capsules and other paraphernalia, do you think that the pharmaceutical association would support remedial legislation, if this committee were to offer legislation in that area?

Dr. COOPER. Oh, yes, most certainly so. At the last meeting of the executive committee of the District of Columbia Pharmaceutical Association, a plan was put into operation where one of our members is charting a committee on drug abuse and I think that you will find within the next 30 days drug abuse program posters in all of the drug-stores in the Metropolitan Washington area.

Mr. PERITO. Mr. Tarrer, in addition to your other responsibilities I understand that you still operate a pharmacy? Is that correct?

Mr. TARRER. Yes. I am a part of it.

Mr. PERITO. Would you say based upon your experience that no responsible druggist would have legitimate need to stock vast quantities of empty gelatin No. 5 capsules and vast quantities of quinine hydrochloride?

Mr. TARRER. Definitely not. There is no need for it.

Mr. PERITO. And may I assume from what you have said that you also would support this committee if and when this committee offered legislation regulating the sale, manufacturing and distribution of these commodities when used or found in relation to heroin trafficking?

Mr. TARRER. Wholeheartedly.

Mr. PERITO. I have no further questions, Mr. Chairman.

Mr. PEPPER. Mr. Waldie?

Mr. WALDIE. No questions.

Mr. WIGGINS. I have just a couple. The statute that we have discussed heretofore regulating the possession of paraphernalia has been the Maryland statute and it is one of the few in the country, I understand. Basically, that statute makes it an offense to possess paraphernalia used in connection with the distribution of narcotics or controlled dangerous drugs. Many of these items of paraphernalia are utterly benign standing alone. For example, a capsule alone would probably be insufficient to warrant arresting the possessor of that capsule unless there is something else to go with the capsule which suggests that it is being used in connection with the narcotics trade.

The statute says that if the paraphernalia is found in close proximity to the traditional implements of cutting heroin, for example, then that is evidence that it is used in the narcotic trade.

The Maryland statute would not touch the case of a pharmacist, for example, who stocked a million No. 5 gelatin capsules unless he also possessed other illicit items in close proximity with the capsules.

Now, I don't have the answer to that but it seems to me that if the statute is going to be—going to reach the disreputable pharmacist, for example—it is going to have to be couched in terms to make illegal the possession of an inordinate quantity of these items. What is an inordinate quantity is hardly a decision that a Congressman ought to make without consulting with a pharmacist. And I would like you to think about that problem.

I don't expect you to have the answer necessarily, although I would hope that you will give me the benefit of your thinking. I hope as well in the next few days or week or so you think about the problem of how do we regulate a pharmacist who may be stocking an inordinate quantity of items that can be and most probably are being used illicitly.

Would you give the committee the benefit of your thinking on that subject, now or in the future?



Mr. TARRER. Well, I can give you an answer now, I think. I checked—we have two stores. One we have no quinine hydrochloride in that I know of. We have quinine sulfate that we use occasionally. One we have a half ounce of quinine hydrochloride in. One we have no No. 5 capsules in. We have a box—I think it was bought—1,000 10 years ago that still has possibly 900 in it.

Capsules are not the answer. We don't use them, rarely, and the pharmacist who is going to use a No. 5 capsule can very easily build up to a 4 or a 3, a 2 or a 1.

In my own use I use a zero capsule more than any other, and I won't use 1,000 a year.

Mr. WIGGINS. The No. 4 capsule—I think you are familiar with the sizes.

Mr. TARRER. I am familiar with the sizes, yes.

Mr. WIGGINS. The No. 4 capsule is only minutely larger than the No. 5 capsule. What kind of a burden, in your experience, would it impose upon pharmacists if No. 4 capsules were somehow regulated as well as No. 5 capsules?

Mr. TARRER. It wouldn't be any burden at all.

Mr. WIGGINS. How about No. 3, 2, 1, and so forth?

Mr. TARRER. It is no burden. If we need a capsule, a No. 1 size ordinarily will hold 5 grains of a medicament, other than a granular substance. And he could very well dilute it with lactose, magnesium oxide if the case may be, or Manatol or some innocuous substance to build up to use a No. 1 capsule which will hold 5 grains of a substance. It is much easier to work with.

Mr. WIGGINS. What is the most common size you use in your profession.

Mr. TARRER. I use a zero.

Mr. WIGGINS. Can you tell us, is that most common in your profession, or is that—

Mr. TARRER. No. In the profession I would say a 3 is probably in most common use, will hold 3 grains of a substance.

Mr. WIGGINS. Well, it has been mentioned here before that it is pretty tough to control No. 5's and then not to control 4 because it is a simple matter to shift from 5 to 4. And if we are going to draft a statute that makes sense and that is not full of holes, then we are going to have to give some thought at least to these capsules of other sizes.

Let me test your thinking on this. Let us suppose that a statute were drafted that limited the numbers of capsules, 3, 4, and 5, that a pharmacy might maintain in their inventory. Would that, in your view, seriously interfere with the legitimate pharmacy business?

Mr. TARRER. I can't see where it would. There are some areas, rural areas, that probably would use more capsules than we would in a metropolitan area. There are some places where the physicians are older, and they stick to the formulas that they have developed, and they are in capsule form.

But in speaking to several pharmacists in the area that I know and come in contact with, a No. 5 capsule is a rarity to use any more. A No. 4 capsule, they would prefer to use a larger one because they are easier to handle and it puts no hardship on the pharmacist that I know of.

Mr. WIGGINS. I wonder, with your permission, Mr. Chairman, if you would—both of you would consider this: Would it be possible at



some subsequent meeting of your association to discuss the problem that we are now talking about? What is a sensible type of regulation of substances such as capsules, and there are bound to be others, and give the committee your thinking on that question. I am fearful that the committee is apt to act precipitately and draft something that will not make sense to the practitioners. We hope to elicit your views before we make that kind of a mistake. Would you do that for the committee? I don't ask you to undertake a long study, but if a sub-committee of your association were organized to kick it around with men in the profession and give us the benefit of your thoughts, I think it would be helpful.

Thank you, Mr. Chairman.

Mr. TARRER. We will be glad to do that.

Mr. WIGGINS. Please do.

Mr. PEPPER. Mr. Steiger?

Mr. STEIGER. I have no questions, Mr. Chairman.

Mr. PEPPER. I think those were very valuable suggestions that my able colleague, Mr. Wiggins, has made, and you gentlemen kindly indicated that you would give careful professional consideration to the subject.

Now, this Maryland statute says:

Gelatin capsules, glassine envelopes, or any other container suitable for the packaging of individual quantities of controlled dangerous substances in sufficient quantities to and under circumstances which reasonably indicate an intention to use any such item for the illegal manufacture, distribution or dispensing of any such controlled dangerous substance. Evidence of such circumstances shall include but not be limited to closer proximity of any controlled paraphernalia to any adulterant equipment commonly used.

The subject would involve careful consideration of whether it would be a burdensome statute, and I understood you to say that you didn't think it would be, to provide that if anyone having reason to believe that he was selling a substance that might go into this illicit operation, either in such quantities or under such circumstances as to indicate that they were being used in an illicit way, I don't know, your attorneys or you people would have to go into the technique of it.

Any other questions?

Dr. COOPER. I might point out to the committee—I am sure they have considered it—that while emphasis here has been on dosage form, largely the capsule, that there are other dosage forms that may be used.

You mentioned the glassine envelope. There is no reason why under pressure, if these other items are controlled they would not go to tableting. We know that some years ago there was quite a bit of traffic in counterfeit tablets on the market. It is reasonable to assume, then, that these people may turn to the illegal plants or unlicensed plants and manufacture tablets. In tablets they would have no need for capsules at all.

That is just one thing that you might bear in mind because I realize it is difficult to write any type of legislation that is going to cover all phases so far as distribution is concerned. But what you are concerned with is what I think we refer to as dosage form.

Mr. PEPPER. We have already had our attention called, doctor, to that problem, and to the likelihood, of course, that the ingenuity of these people, who would profit from this spurious practice, would come

up with something that they could use, but the suggestion was that the statute be broad enough to cover any kind of a new device that might be developed for this purpose so as to somewhat circumvent it, but then, as new techniques develop, it might be necessary to amend the statute once it is adopted.

But what we are concerned with is doing everything that can be done now, with the knowledge that we now have, to try to stop this illicit flow of heroin. I am sure no one is better acquainted than you two gentlemen with the evils and the injury that the heroin traffic is doing in our District here and in our country.

Is that your observation?

Mr. TARRER. That is mine.

Mr. PEPPER. They are doing a very grievous injury.

Mr. TARRER. Mr. Chairman, when you mentioned these items of paraphernalia as far as dosage forms go, I think you have to look further than capsules, glassine bags. You have foil wrap, Saran wrap, all these types, wax paper, anything. Any of these could be used to put a dosage type in.

If the Maryland law is broad enough to cover this——

Mr. PEPPER. As I read before, it says, "gelatin capsules, glassine envelopes, or any other container suitable for packaging of individual quantities of controlled substances."

The intent of it was to be broad enough to cover.

Mr. Steiger?

Mr. STEIGER. Thank you, Mr. Chairman. Gentlemen, I don't know if you were here yesterday or not, but we had testimony from drug wholesalers, one in particular, a small wholesaler who said that he felt that even though he knew of the jeopardy in furnishing such things as No. 5 empty gelatin capsules, he felt that he owed it to his business to continue furnishing them because he might lose customers.

Now, as you have quite properly pointed out, it is going to be impossible to devise legislative language that is going to keep ahead of the ingenuity of the narcotics trafficker. I don't think there is any potential here. I think our aim is to aid the law enforcement people and give them something to hang their hats on.

I also am most encouraged by Dr. Cooper's report of the fact that the pharmacy students are participating in drug abuse programs. I really think that the strength of this at the professional level is going to be not only the awareness of the profession of their legal obligation but obviously the awareness of the profession of their moral obligation and their ability to influence the community, because the pharmacist is in a unique position to influence the community, and as you know, far better than I, and that is why I share with Mr. Wiggins his laudable concern.

I know in my State of Arizona, our pharmacy board is designed apparently, structured solely to protect the pharmacist from undue competition and little else.

That may be a little harsh but the idea that the pharmacy board would play a role in enforcing conduct as to the morality and ethics of the members of the profession, it just doesn't happen.

I might also add, with all due respect to my colleagues, it doesn't happen in our bar association or in our medical association either. These are primarily self-protecting associations. You can tell I am not

a professional man. So I can say this freely. No matter what we do, regardless of how willing we are to provide tools of enforcement, it is really the leaders of the professions that are going to ultimately be the most significant factor, I think, in this situation, and if a druggist knows of a wholesaler who is furnishing gelatin caps to somebody else recognizing the tastelessness of it, if you will, or the breach of professional etiquette, if he would inform the board that this is happening, I think he would be rendering a service that will go beyond anything that even the committee could construct.

Mr. TARRER. We would appreciate it if they would let us know. A lot of people won't.

Mr. STEIGER. Yes, sir; I know that. It isn't only pharmacists.

Mr. WIGGINS. Excuse me, Mr. Chairman, just one more question. I hate to let you go after having said that there is weakness in a statute for which we are responsible. The statute to which we referred is the statute regulating pharmacists in the District of Columbia.

Has your board made recommendations for changes to the District government?

Mr. TARRER. Yes; we have.

Mr. STEIGER. I can testify to that as a former member of the District of Columbia Committee for 3½ years. I know that we had before us, on those 3½ years, on three or four occasions, a proposal which I must say was lobbied to death by the pharmacists. I want to tell you that at least that was my experience. I regret to report that to you gentlemen.

Mr. WIGGINS. I have nothing further.

Dr. COOPER. I would like to point out, Mr. Steiger, your statement just a while ago about the responsibilities of the pharmacists, is included in section 4 of the Apha Code on Ethics, almost word for word, as you have stated. It does become the responsibility of the individual practicing pharmacist to bring to the attention of the proper authority any illegal practice or misconduct.

Mr. PEPPER. Gentlemen, I just want to ask you one thing that we are very much concerned with here that might be within your knowledge and scope of interest.

It looks like we are having great difficulty in stopping or reducing substantially the flow of heroin into this country. We know the terribly costly problem we have in trying to do something about stopping narcotics distribution once the heroin gets into this country. The courts are clogged with cases. Law enforcement officers are heavily engaged in trying to deal with drug cases or cases that are attributable to drug use and abuse.

And so we have to try to find everything we can to try to stop drug use.

Now, we are very much interested in what more can be done in the area of research. We would like to find some counteracting force or chemical substance to combat heroin use.

One of you is the dean of a distinguished school of pharmacy, the other an able professional pharmacist. I just didn't want you to leave without soliciting your professional opinion about what the Government or what the universities or what the pharmaceutical industry, or all or them together, might do, or try to do, in order to find a way to cure addiction or prevent the use and desire for heroin, by addicts.

Dean, have you any suggestions?



Dr. COOPER. My comment is, that it is going to require mass education which I think we are already entering into, acquainting the people with the evil and what occurs to those who come under the influence of this type of drug.

As you know, the sources of this drug are in Turkey and where it is processed in France and Italy. I would say it is an international problem. And what we are going to have to do is try to reach some type of agreement with the governments where they are producing it because it is an economic factor with them.

One of my colleagues said facetiously, he said if we can pay farmers in this country not to raise cotton, maybe we can pay people over there not to raise the poppy. Of course, that doesn't make too much sense. Nevertheless, that is where it leaves us in this situation because I am reasonably certain that our law enforcement agencies are doing perhaps all that they can do so far as searching and seizing.

Mr. PEPPER. Dean, I more or less had reference to the area of trying to produce something that might be even more desirable than methadone, more effective and more desirable. That is about the best thing, at present.

Dr. COOPER. Well, every time industry comes along with a product like that, it ends up over in a special category and we become suspicious of it. There have been several of these analgesics that have been developed recently and it is stated by some that people become addicted to, for example, a product like Darvon. Used as it should be used, it is a good product, an excellent product. But it is like anything else. People become addicted to alcohol.

I am smoking a pipe. I am addicted to tobacco. It is just a matter of degree and what is objectionable.

Mr. PEPPER. Mr. Tarrer, have you any suggestions?

Mr. TARRER. Well, I am not a researcher and I think it is out of my field, but I feel a lot of the old addicts are lost, that you should concentrate on the young people, save them. The old ones forget.

Mr. PEPPER. I see. Well, gentlemen, thank you very much. We appreciate your valuable contribution.

Our next and final witness for the day is Dr. Robert L. DuPont, Director, District of Columbia Narcotics Treatment Administration.

Doctor, if you will come around, please.

The committee is very much pleased and honored to call as its final witness today Dr. Robert DuPont, Director of the District of Columbia Narcotics Treatment Administration, since its creation last February by Mayor Walter Washington.

## **STATEMENT OF DR. ROBERT L. DUPONT, DIRECTOR, DISTRICT OF COLUMBIA NARCOTICS TREATMENT ADMINISTRATION**

Dr. DuPont, a young man with impressive credentials in medicine and psychiatry, has moved forcefully to implement Mayor Washington's pledge to have treatment available to every heroin addict in the District of Columbia within 3 years.

Prior to assuming his present post, Dr. DuPont was Associate Director for Community Services in the District of Columbia's Department of Corrections.

In that capacity, Dr. DuPont participated in the preparation of a report that revealed that some 45 percent of all men brought to the



District of Columbia jail in August 1969, were found to be heroin addicts.

Since then, Dr. DuPont has used the word "epidemic" to describe heroin addiction in the District.

Dr. DuPont is a graduate of Emory College in Atlanta and the Harvard University Medical School. He served his medical internship at the Cleveland Metropolitan General Hospital and his residency in psychiatry at the Massachusetts Mental Health Center, Harvard University.

For 2 years, Dr. DuPont served in Research and Clinical Psychiatry at the National Institute of Mental Health.

Doctor, we are pleased to have you. You have a prepared statement. Would you wish to read it or to comment on it, summarizing it orally?

Dr. DuPont. Well, I would just as soon read it. It is not long, Mr. Chairman. Thank you.

Mr. PEPPER. Go right ahead.

Dr. DuPont. I am very glad to be here. It is a privilege for me to appear before you today to discuss the problems of heroin addiction in the Nation's Capital.

The Narcotics Treatment Administration was formed by Mayor Walter E. Washington on February 18, 1970, to develop a large-scale program to combat the rising heroin epidemic in the city.

Our research studies have produced several significant findings:

1. The epidemic of heroin addiction began in 1967 and was continuing unabated through 1969.

2. The number of heroin addicts in the city was estimated to be about 10,000 during 1969.

3. There appeared to be a close relationship between this epidemic of heroin addiction and the rising crime rate in the District of Columbia during the last 3 years.

4. The typical District of Columbia addict committed crimes totaling about \$50,000 a year to support his habit.

5. Forty-five percent of all men admitted to the District of Columbia jail during August 1969, were heroin addicts.

6. The addicts were charged with crimes in various categories with about equal frequency with the nonaddicts brought to the jail.

Finally, and most importantly, NTA research has demonstrated that treating heroin addicts—particularly with methadone maintenance—not only reduces arrests but increases employment.

NTA has had notable success in less than 8 months of operation. We have over 2,000 heroin addicts in treatment at this time.

We have one of the largest and most rapidly developed heroin addiction treatment programs in the country. We think we have the best program in the country.

But the job is not complete—in fact we have only begun. Twenty percent of the addicts in treatment is not enough. The level of service delivery in our programs is not adequate—we need more job counseling, vocational training, and more medical treatment.

Even more important we need to change attitudes in thousands of people—especially young people—so that they don't start into heroin addiction. We need to reduce the supply of heroin so that the youngster who is having problems or is bored or curious can't easily get his first shot of heroin.

Washington has made considerable progress in enforcement along with our progress in treatment.

Your proposal to reduce the availability of the implements of heroin addiction offers another important part of the solution to the problem of heroin addiction. If capsules and cutting materials such as quinine are less easily available and heroin is less available to the traffickers, then there will be less addiction in our community. I would like to express my thanks to Dr. Harold Kauffman for his help in researching the subject of legal limitations on capsules, quinine, syringes, and needles.

Mr. PEPPER. Doctor, that is a very good statement. I will just ask you a question or two.

At the beginning you have confirmed—and it is a figure we want to hammer home as much as we can to the public conscience—you have confirmed the data that we have had from other sources, that there is a very direct and very major correlation between crime and heroin addiction. You have said here that 45 percent of the people that were arrested for major crimes, serious crimes, were found to be heroin addicts.

Dr. DuPONT. Yes, sir.

Mr. PEPPER. And you said here that you estimate that as to the average amount of property stolen, the typical District of Columbia addict committed crimes totaling about \$50,000 a year to support his habit.

Now, you estimated that there are some 10,000 addicts in the District of Columbia. If you multiply 10,000 by \$50,000—

Dr. DuPONT. It is frightening.

Mr. PEPPER (continuing). We can see the terrible price that the people of the District of Columbia are paying in loss of their property to satisfy the addiction of these heroin addicts. You can see why this committee is so vitally concerned with the problem of trying to help do something about it, and this is just a small facet of it that we are dealing with here today; trying to make it more difficult for the pusher to get it to the addict.

I want to ask you some other questions a little bit later. Mr. Perito, would you like to start the questioning?

Mr. PERITO. Thank you, Mr. Chairman. Dr. DuPont, we heard testimony yesterday from Detective MacKinnon and Inspector Bishop of the Metropolitan Police Department regarding the need for District legislation to control the sale and distribution of needles and syringes. In your experience, have you found that these products are easily available to the addict?

Dr. DuPONT. Extremely easily available.

Mr. PERITO. And, I assume that you have found that these products are easily available within the District?

Dr. DuPONT. Yes; they are. Mr. Perito, could I make one distinction about addicts that might be useful, and that is that the addict who is a longtime addict and who has made a career choice to be an addict, is a man who has many options to get needles and syringes. He is involved with the whole network of people that supply these kinds of implements of his addiction.

On the other hand, the young person in school has not made contact with this kind of a network. He does not have great access to needles

and syringes. This is an important distinction. By tightening up access to such things as this committee is talking about now, we may not be able to stop the committed career addict who has many alternative ways to get the heroin into his arm; to package it in all kinds of complex and intricate ways.

However, the novice, who is, I think, our primary concern in terms of the spread of the epidemic, does not have all these alternatives, and even modest increments in law enforcement efforts to decrease the supply of heroin and related items will have an effect on the total number of addicts.

Mr. PERITO. I think that is an excellent point. One of the problems with which our committee is concerned, and Mr. Wiggins has questioned witnesses about such problems, is how best to draft a statute so as to exclude the legitimate use of quantities such as quinine hydrochloride.

Now, obviously, being a physician, I assume that there are certain conclusions that you have drawn about the large quantities of quinine hydrochloride; have you found through your contact with addicts in the District that quinine hydrochloride is also easily available for cutting of heroin?

Dr. DuPONT. It certainly is. I don't have much direct involvement in the business end or enforcement end of the heroin problem but I have an involvement from the other end; the urine of addicts. Urine of addicts contains quinine. In fact, quinine is usually the main finding in the urine of a person using heroin. Heroin disappears quickly from the urine, at a level that we can detect it, whereas the quinine remains, so that most of the "positive" or "dirty" urines that we find in our addicts is actually quinine.

Mr. PERITO. I have no further questions.

Mr. PEPPER. Mr. Waldie?

Mr. WALDIE. No questions.

Mr. PEPPER. Mr. Wiggins?

Mr. WIGGINS. I have no questions, Doctor, but I know of your work and I commend you for it, and thank you very much for your appearance here today, and your excellent testimony.

Dr. DuPONT. It is a pleasure to appear before you.

Mr. PEPPER. Mr. Steiger?

Mr. STEIGER. No questions.

Mr. PEPPER. Doctor, I just wanted to ask one or two more questions. Your statement brings out that you are at the present time treating in the District of Columbia about 20 percent of the addicts.

Dr. DuPONT. Yes, sir.

Mr. PEPPER. You estimate that there are 10,000 in the District. You are treating 2,000?

Dr. DuPONT. Yes, sir.

Mr. PEPPER. The fact that you are not treating a larger percentage than that, I assume, is attributable to a lack of funds; isn't it?

Dr. DuPONT. Yes, sir. It is a subject close to my heart.

Mr. PEPPER. Now, how much are you getting for your program?

Dr. DuPONT. Well, Mr. Chairman, I am a relative novice in the field of drug treatment. I became interested in this field when I was working in the Department of Corrections, when I realized that probably the greatest potential in corrections came in narcotics treatment.



While traveling around the country, I found how much it costs to treat an addict, and it is a remarkably consistent figure across variations in treatment programs and geographic areas. A program that is comprehensive but relies primarily on outpatient treatment and large-scale use of methadone maintenance costs about \$2,000 a patient-year for treatment.

That is about the amount of money, for example, that Dr. Vincent Dole spends in New York and very similar to the amount of money Dr. Jerome Jaffe spends in Chicago.

Now, on that assumption, you see that we would spend about \$4 million a year to treat 2,000 addicts. The tradeoffs here are very impressive. For example, the \$2,000 for treatment should be contrasted to the cost of about \$10,000 a year to incarcerate a person or \$50,000 a year in terms of crimes that are committed by the untreated addict.

Now, that kind of reasoning leads me to believe that one ought to spend as much money as he can in treatment, as long as he is getting at a heroin addict, for \$2,000 a year. But we are spending at the rate of about \$2 million a year for our 2,000, which means that we are spending only about \$1,000 a patient year.

Now, the fact that we are spending less than others are around the country means that we are not providing the level of services we really ought to. We have been faced with a dilemma in the District and the dilemma was, and remains this: Do we take in all the patients we can and provide limited services which we know are inadequate to the needs or do we limit the number of people we treat and provide the maximum level of services?

We have opted, and I think it has been the right decision, for the course of providing limited services to the most people. We are now, as some of the members may know, being attacked by one particular radio station because of reduced level of services. This reporter has found the obvious and what we have said all along, that we have made compromises in terms of level of services and in the performance of our information system.

But that was the choice we made. It is a tough one.

Mr. PEPPER. You made the decision to give what you regard as adequate treatment to fewer people than inadequate treatment to many?

Dr. DuPONT. It is inadequate levels. What you mean by inadequacy, the—

Mr. PEPPER. Oh, I see. It is the other way around.

Dr. DuPONT. Well, the problem is that we have made compromises in the level of service to treat more addicts, to put it very bluntly.

Mr. PEPPER. I see.

Dr. DuPONT. So that what we need is more money.

Now, if you were going to take, for example, if we were going to double our program and treat 4,000, we would need twice as much money, \$4 million in the program to hold the line even at our current level of services.

Mr. PEPPER. Even then, although you have had to moderate your treatment on account of the large number of people to be treated, even then you are only able to treat 2,000?

Dr. DuPONT. That is right, and also then, and I would say this to any of our detractors, and I am in a slightly pugnacious mood today after my appearance on the other side of the Hill, the level of



performance has not been bad. As a matter of fact, we have been able to demonstrate reduced arrest rates and increased employment.

So, we haven't been without our successes.

Mr. PEPPER. Will you summarize—I saw some figures referred to in the press where you have attributed a certain decrease in crime—you made a general statement here, but I don't believe you gave any specific figures—can you give us any evidence that in the treatment that you have been giving through that limited number, 2,000, it has reduced the rate of crime in the District of Columbia, and if so, how much?

Dr. DuPONT. Yes, sir, Mr. Chairman. I must take you on a little journey of statistical fantasy that may, however, bear some relationship to facts. I think when you start dealing in crime figures, you are in an area in which it is hard for anybody to be sure his feet are on the ground. But let's go down the line like this: Assume half the—

Mr. WIGGINS. I think that is a very profound comment and most unusual for a psychiatrist, but go ahead.

Dr. DuPONT. If we assume that 50 percent of the crime in the District of Columbia is committed by addicts, which is I think a reasonable assumption on the basis of the facts that we have now, then if we assume that 20 percent of the addicts in the city are in treatment right now and that our treatment is 100 percent effective, which, of course, it isn't quite, then you would assume there would be a 10 percent reduction in the total reported crime rate in the District of Columbia as a result of treating 2,000 addicts.

The fact of the matter is, Mr. Chairman, that there has been a reduction of crime, reported crime, of 19 percent in the last 8 months. I am also not including in these figures, of course, the reduction in crimes associated with other treatment programs such as those operated by the Black Man's Development Center, and others. I think it is reasonable to assume that something like a 10-percent reduction in the expected crime rate is attributable to our treating 2,000 addicts.

But, as I say, that is open to question on every one of those statistical assumptions.

Mr. PEPPER. What you have said suggests to me that one of the most potentially fruitful fields for trying to reduce crime, for example, in the District of Columbia, is to try to do more about the matter of heroin addiction, try to treat more heroin addicts.

Dr. DuPONT. Yes, sir, I agree with that. I don't think you can get a better buy for your money in terms of crime reduction than in treating heroin addicts.

Mr. PEPPER. Well, now, one other aspect of it, Doctor: What is being done—you are using methadone now. That is about the best sort of a treatment?

Dr. DuPONT. About two-thirds of our patients—

Mr. PEPPER. Isn't it?

Dr. DuPONT. Yes, sir. Methadone is very effective. I would make two points about it: One is that all of our patients are not on methadone. Only about two-thirds. That means one-third are what we call abstinent patients and for many people, particularly the younger ones and those who have used heroin for shorter periods of time, abstinence programs with a lot of group counseling and psychological treatment are very helpful and effective, so I am not talking about exclusively a methadone program.

The other point is that methadone is not a panacea and anybody who suggests that methadone can "solve" the problem of the chronic heroin addict is wrong. With an adequate methadone program the addict can, for the first time make use of all the other services he needs.

The addict treated with methadone no longer craves heroin but he still has, for example, an average of only a 10th grade education. He still has grossly inadequate skills, he remains black, and has the problem of racial discrimination, et cetera.

The family and psychological problems that man has still remain and all those problems have to be tackled.

The point is that methadone makes it possible to tackle those problems for people with whom this is not otherwise possible.

Mr. PEPPER. Do you find that methadone is addictive?

Dr. DUPONT. Absolutely. Methadone is a member of a class of drugs which have been called the opiod drugs and they are defined in this way: They have cross-tolerance one with another.

For example, if a person is addicted to methadone he can switch the next day to heroin, the next day Demerol, the next day to dilaudid, and never have withdrawal symptoms. This is called cross tolerance and there is a whole class of drugs that have this effect.

The dean who was talking before about the various kinds of analgesic drugs that produce this cross tolerance knows methadone is addictive. It is not a harmless, benign drug.

For example, the dose level that we use is 100 milligrams a day, roughly. A 100-milligram dose taken by a child can be fatal.

Methadone overdose is an easily treatable condition. If you know a child has taken it and get him to the hospital, you can treat the overdose, but he needs to get to a hospital. So methadone is not a treatment to be taken lightly and not to be prescribed casually, not to be given out in the corner drugstore.

On the other hand, the main point is this, that the chronic "methadone addict," if you will, the methadone maintenance patient, functions normally in every way in society. Mary Nyswander and Vincent Dole, the inventors of this treatment, have argued, and I think rightly, that methadone treatment normalizes the physiologic problems that result from long-term heroin use.

For example, these patients function normally in terms of work. They have normal reaction times so they can drive a car normally. They have normal sleep patterns, normal sex lives. The women on methadone maintenance have normal babies, et cetera. All the tissues that have been biopsied and other studies including bone metabolism, and water metabolism, have been normal for the methadone maintenance patient.

On the other hand, we have learned recently that no medication can be given without a cost, whether the medicine is aspirin or cortisone or penicillin. There are harmful side effects. Birth control pills are a very recent example of this. But we can now say with assurance that probably 10,000 or more people in the country have now been placed on methadone maintenance. The longest is about 7 years, and so far we have not come across any harmful side effects as a result of the drug. There may be something later on.

Mr. PEPPER. Were the people on methadone treatment—have they been found to commit fewer crimes than they were committing while they were addicts, heroin addicts?

Dr. DuPONT. Dramatic reductions in the crime rate has been the rule across the country with methadone. This was first demonstrated in Vincent Dole's program and we have now demonstrated it in our own program.

Dr. PEPPER. Now, the last question is this: We have had before our committee in New York Dr. Dole, who, with his wife, I believe, was the inventor of methadone and he said, as you said here today, that methadone is not the answer. He said it is primarily for the hard-core addict.

Now, what research is going on in the country, to your knowledge, to find something better than methadone, and is there enough research going on by the Government and the universities, the pharmaceutical houses, and other industry to find something better than methadone?

Dr. DuPONT. Mr. Chairman, I would say that in the whole field of crime including the problem of addiction, there has been an incredibly small amount of research, incredibly small amount of information, about what is going on. My own personal experience has been that with the recent intensive public concern about crime and addiction more money has been available. This has led many young and talented people into this field for the first time.

The situation is improving. For example, last year I attended the Second Annual Conference on Methadone Treatment in New York and there were probably 200 people there from all over the country reporting on their results. This year the conference will probably have 500 or 1,000. It is very interesting to watch the level of scientific inquiry that is reported at these meetings. It is going up extremely rapidly. The public is aroused. There will be a lot of new developments including pharmacologic developments in the next few years.

A drug would be better than methadone, for example, if it didn't have to be taken every day but every 3 days or every week. That would be a very desirable step because it would decrease the possibility of diversion of supplies into illegal channels and make treatment easier for the patient. In fact, there is no reason pharmacologically from what we know not to hope that you can develop a drug that is totally nonaddictive to suppress the craving for drugs.

It is a matter of devoting the resources to the task. Dr. Dole and Dr. Nyswander, these two pioneering individuals, virtually did all their work themselves in 1963 with an infinitesimal budget. It was a remarkable achievement. In fact, I feel their contribution to medicine is paralleled in importance by only the discovery of penicillin during this century. In this country, in terms of impact on our society methadone treatment was a profound discovery.

Many of us can remember back to our own adolescence and the turmoil associated with that period of life, and I think one of the serious problems today is the availability of heroin to people who find themselves in emotional turmoil. As long as that availability is there, frankly, I think large numbers of young people will turn to it. Thus it is imperative that we decrease the availability of heroin.

I also feel very strongly, Mr. Chairman, that we must separate our concern about drugs and talk about different drugs as different problems. Heroin is clearly the major problem in our society today,



and to dilute that with a concern about all the drugs may cause us to miss the main point about what is going on in our cities, for example.

Mr. PEPPER. Heroin is getting more currently used, isn't it?

Dr. DuPONT. That is right, and spreading to the suburbs, and many people are involved in it now who 2 years ago had never heard about it. In fact, it was very difficult to get heroin in this city more than 4 years ago. Now most kids in junior high school can get it.

Mr. PEPPER. In the last drug hearings we saw the evidence of progress that has been made in dealing with this field, but there was no specific appropriation in that bill for research in respect to heroin. The only money that is going to be available for research is the money otherwise appropriated to the National Institute of Mental Health.

Dr. DuPONT. I think that is a tragic error.

Mr. PEPPER. Now, we are spending—we finally got the authorization under the LEAA bill up to \$650 million a year, and I believe it is going to be \$1 billion in 1971 and perhaps \$1½ billion. That is the authorized figure. And we actually got the appropriation up to \$450 million this year in the House.

Now, do you share my belief that it is almost fair to say that, the best money we could spend trying to reduce crime in this country would be in treating heroin addicts and carrying on, more thoroughly, competently operated research programs in respect to heroin addiction?

Dr. DuPONT. Yes; I certainly do. I think that is extremely important.

Mr. PEPPER. Any other questions?

Well, Dr. DuPont, you made a valuable contribution not only to our hearings but you have made a valuable contribution to our community and our country. We appreciate your coming in. Keep up your good work.

Dr. DuPONT. Thank you very much.

Mr. PEPPER. Thank you, Doctor, very much.

Mr. Perito.

Mr. PERITO. Mr. Chairman, one final point. Our staff has been in touch with Detective Capt. Bruno V. Favasuli of the Harrisburg Police Department. Captain Favasuli requested that we incorporate into the record the statement which he made yesterday to a reporter from the Harrisburg Patriot, along with an additional statement which he gave to our staff. Captain Favasuli stated that he is prepared to appear, at any time, before this committee and testify under oath and deny certain of the statements made by Mr. Cohen yesterday. At this point I would offer this written statement which Captain Favasuli asked us to include as part of the record before our committee.

Mr. PEPPER. Without objection, Captain Favasuli's statement will be included in the record.

Do the members of the committee wish to see it?

Mr. WALDIE. I saw it.

(See p. 130 for Detective Capt. Bruno V. Favasuli's statement.)

Mr. PEPPER. While members of the committee are scanning this statement, I would like just to make a brief closing statement.

Having listened for 2 days to testimony concerning heroin paraphernalia, it seems clear to our committee that our original conten-



tion is valid; that is, that there must be a Federal and/or District statute to control the manufacture, distribution, and sale of the materials used to dilute and package heroin.

The need for a uniform statute is obvious; State laws alone have not proven able to meet the challenge.

I am instructing the staff of the Select Committee on Crime to begin, without delay, drafting the kind of legislation that will force a serious disruption in the traditional patterns of heroin distribution.

We hope that this kind of legislation will not only disrupt the heroin traffic, but cause pharmacists to think twice before supplying pushers with the paraphernalia they need.

And it seems to us patently clear that the paraphernalia suppliers should face the same kind of criminal penalties as the pushers themselves.

As I said in the opening statement of these hearings, attacking this aspect of the heroin problem is not the total solution. But it is something that can be done, something that can be done now. We believe we would be derelict in our responsibilities if we did not take this action.

It is a small step, admittedly, but so few firm steps have been taken that this one can have major importance.

I wish, again, for the record, to thank on behalf of our committee the distinguished Committee on Science and Astronautics for allowing us the use of this very spacious and very desirable room, and we want to thank all who have aided us, the officers and all the other people who have assisted our committee in the conduct of these hearings.

We especially commend the reporter, who worked almost without pause. This lady hasn't had very much relief today. And your predecessor yesterday has done such a fine job.

By the way, we wish also to express our particular thanks to all the law enforcement authorities, the District police, and all other law enforcement authorities, many of whom we have contacted and who have given us splendid cooperation.

The committee now adjourns these hearings. Thank you all.

(Whereupon, at 4:50 p.m. the committee adjourned, to reconvene subject to the call of the Chair.)





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